

# UMDONI MUNICIPALITY

*Together Building Unity • Siyakhisana • Tesame Bou Ons Eenheid*



## ANNUAL REPORT 2010/2011



**UMDONI  
MUNICIPALITY**

# Umdoni Vision/Umbono

“By 2020, Umdoni will be the **JEWEL** of the South Coast.”

“Ngonyaka wama-2020 uMkhandlu dolobha waseMdoni uyobe uyigugu lezindawo ezigudle Ugu.”

# Umdoni Mission/Inhloso

“Working together in contributing to **J**ob creation, **E**conomic viability to ensure the **W**ell-being of our community in **E**co-friendly environment through sustained **L**ocal economic development.”

“Ukusebenza ngokubambisana ekwakhiweni kwamathuba emisebenzi, ukusimamiswa komnotho ngokuthuthukisa umnotho wendawo ukuze kuqinisekiswa inhlonhle yemiphakathi endaweni eyamukelekayo.”

# Principles

- **J**ob creation
- **E**conomic viability
- **W**ell-being of the community
- **E**nvironmentally friendly environment
- **L**ocal economic development

# Values

| VALUE          | VALUE STATEMENT   |
|----------------|---|
| Integrity      | Display a level of unquestionable honesty and ethics                        |
| Responsiveness | Work to improve the quality of life of all our communities                  |
| Dedicated      | Be loyal and committed public servants                                      |
| Efficiency     | Ensure all actions are adding value to seamless service delivery            |
| Human dignity  | Show profound respect and observance to human rights of all our communities |
| Accountability | Be transparent and open about all our actions                               |



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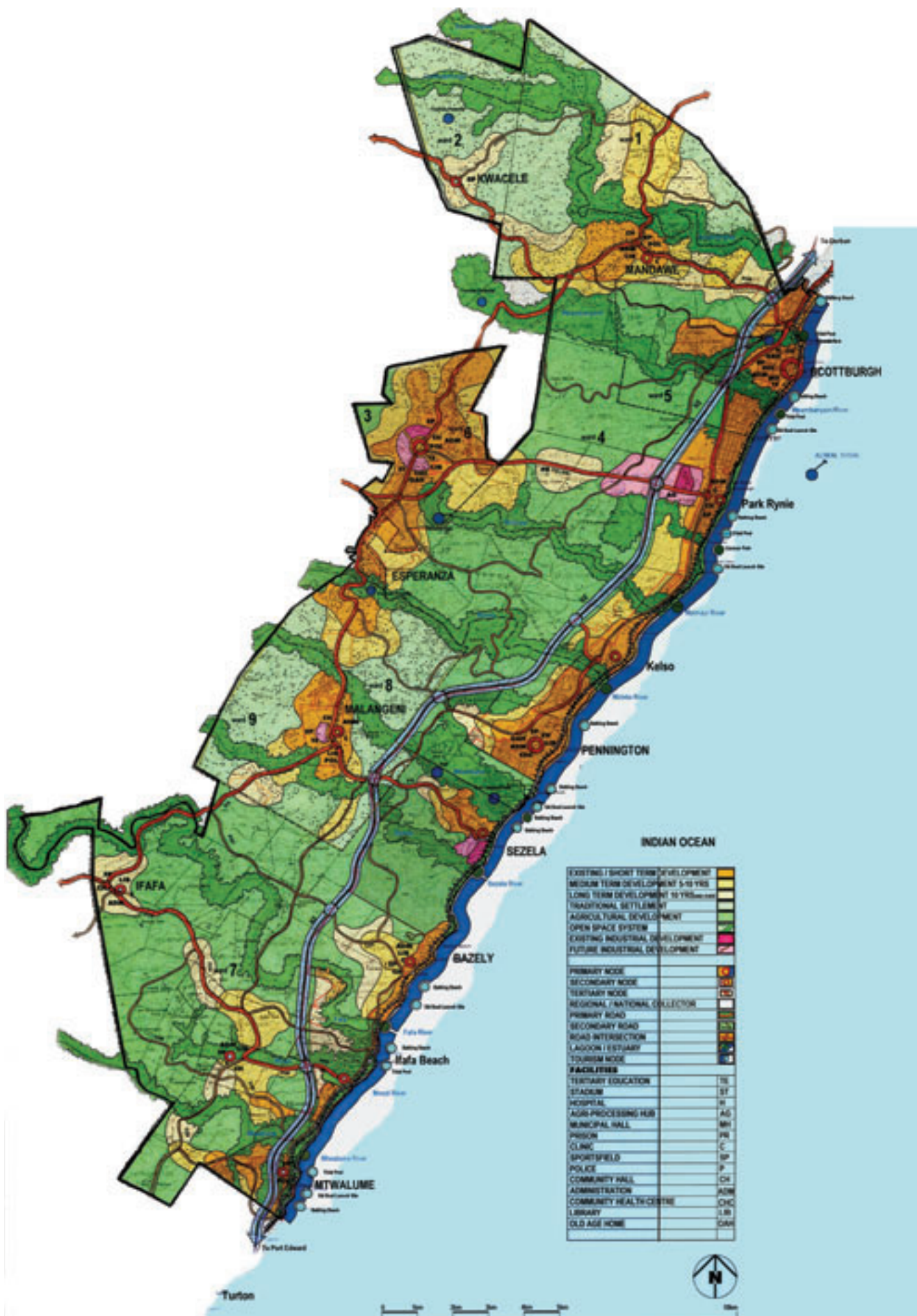
The 2010/2011 Annual Report has been prepared in accordance with the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government Municipal Systems Act (MSA), 32 of 2000, and thereafter approved by the Municipal Council after following all the processes prescribed by Section 129 of the MFMA. In compliance with the provisions of the MFMA, this Annual Report was tabled by the Mayor at a Municipal council meeting held on 14 December 2011, as prescribed by Section 127 of the MFMA, and was thereafter, in terms of Section 21(a) of the MSA, publicised for comments.

The Annual Report was further considered by the Oversight Committee established by the Municipal Council, as directed by Section 129 of the MFMA, to assist the Municipal Council in considering the Annual Report. The report of the Oversight Committee is included in the Annual Report and is therefore made public in terms of Section 21 (a) of the MSA.

*DD Naidoo*

**Mr DD Naidoo, Municipal Manager**







## Chapter 1

# INTRODUCTION AND OVERVIEW

**U**mdoni Municipality is located in the Ugu District and covers an area of approximately 238 square kilometres. The coastline stretches approximately 40 km from Mtwalume in the south to Freeland Park (Scottburgh) in the north. It is bound inland by three local municipalities: eThekweni to the north, Vulamehlo to the west, and Umzumbe to the south/south-west. The northern boundary is approximately 50 km from the city of Durban and the southern portion is approximately 15 km from Port Shepstone.

Umdoni Municipality essentially has three major land uses, i.e. commercial agriculture, traditional authority areas (located mainly in the northern portion) and coastal urban nodes, including Scottburgh, Kelso, Sezela, Pennington, Bazley, Elysium, Ifafa Beach, Mtwalume and the inland town of Umzinto.

The area has a full range of schools catering for pre-primary, primary and high school education, numerous public libraries, magistrates courts and SAPS centres, postal and Telkom services, Home Affairs, the Road Traffic Inspectorate, drivers and vehicle testing centres.

During 2006/2007, the Umdoni Municipality acquired the Farm Isonti which was situated in the Vulamehlo Municipality. As this land was to be registered in the name of Umdoni, there was a need to amend the boundaries of Umdoni and Vulamehlo Municipalities so as to include it in the former and delete it from the latter municipality. This newly incorporated area resulted in an imbalance in the number of registered voters in Umdoni's Ward 3, the ward into which these properties would fall. Thus, there was a need to adjust the boundaries of all wards in Umdoni, and to create an additional ward (Ward 10). The boundaries of the revised wards 1 to 9 and the new ward 10, were published in Gazette No. 498 dated 31 March 2010.

The Municipality now has 19 councillors, with 10 ward representatives and nine proportional representatives. The 10 wards include the following main centres:

- Ward 1 – aMahlongwa;
- Ward 2 – Nkulu, Olwasini, Umgwemphisi;
- Ward 3 – Ghandinagar, Lower Umzinto;
- Ward 4 – Scottburgh South, Farmland, Gugulesizwe;
- Ward 5 – Freeland Park, Scottburgh Central, Amandawe;
- Ward 6 – Umzinto Central, Hazelwood;
- Ward 7 – Sezela, Ifafa, Mtwalume;
- Ward 8 – Bhudubhudu, Vusizwe, Zamani;
- Ward 9 – Mafithini, Amangamazi;
- Ward 10 – Park Rynie, Pennington.



## Mayor's Foreword



*Incoming Mayor, His Worship SSI Khwela*

My predecessor, Councillor NH Gumede, was at the helm for the period under review. At the time of writing this foreword, I have been in office for only four months and by all accounts, have been fortunate to inherit an organisation which boasts many achievements. I am therefore grateful to the outgoing Council under the perceptive and able leadership of Councillor Mrs NH Gumede.

I assume office at a time when the challenges facing local government are manifold and the clamour for basic services among the marginalised of our society is reaching fever pitch – their patience is wearing thin and justifiably so.

Councillors and councils are perceived as havens of corruption; the productivity of staff lags behind the private sector. Revenue collection is proving to be a challenge which exacerbated by the poor state of the economy, and unfunded mandates continue to drain limited resources.

Notwithstanding these challenges, public expectation is huge – shaped largely by a hard-fought election and a history of deprivation.

The newly elected Council is therefore expected to hit the ground running. Thus, I do not foresee major policy changes: continuity and astute implementation will be the key.

With ten years to establish the platform from which to drive service delivery, the emphasis has to shift to implementation, which has been problematic. Greater success will only be achieved with hands-on management accompanied by a more

rigorous oversight on the part of the Council. The resources are available, policies and systems have been put in place, and therefore the timeous accomplishment of goals within budgets cannot be an unreasonable expectation.

Umdoni has had its fair share of natural disasters. In the year under review, the Municipality was busy with rehabilitation works valued at over R 400 million. Unfortunately, a programme of this magnitude and complexity attracted its fair share of problems. A priority for my administration is to accelerate the completion of these projects and produce a better quality road network.

Under my stewardship, I will continue to ensure adherence to good governance, fiscal discipline and a work ethic aligned to our vision of creating jobs and alleviating poverty.

I commit to continue with the open door policy of my predecessor and to this end I extend an invitation to all constituents to work closely with their Councillors.



*Outgoing Mayor, Cllr NH Gumede*

**COUNCILLOR SSI KHWELA  
HIS WORSHIP THE MAYOR**



# Municipal Manager's Foreword

The second term for the democratic dispensation of local government came to a conclusion in the year under review.

The electioneering period leading up to the May 2011 local government elections brought to the fore some very sharp and instructive messages to both aspirant and existing public representatives. The electorate cannot be taken for granted and the much sought after vote requires a reciprocal gesture: service delivery. The message from our communities was unambiguous: "Be responsive to our needs".

Given that communication with the communities is most intense during this period, engagement should yield significant data to inform service delivery.

Both the political and administrative leadership must work together to achieve a common goal of maximising service delivery at municipal level. Local councils must be more responsive to local communities and their needs and ensure that communities are involved in the decisions that affect them.

The year 2011 was declared the year of job creation by President JG Zuma. It was identified as the main factor that would make people's lives better. As a sphere of government closest to the people, we must commit all our available resources to facilitate job creation in both private and public sectors.

During the period under review, we witnessed some violent service delivery protests where residents gave expression to their frustrations with the lack of service delivery. An analysis of these protests reveal a lack of basic services.

As a municipality we need to ensure a sustainable growth path that is responsive to these basic needs.

While we modestly acknowledge the completion of many infrastructure projects, of greater significance is the maintenance so that its sustained use is never in question. Communities must, together with Council, assume ownership to derive maximum benefit.

The promulgation of the Consumer Protection Act has serious consequences for Municipalities as service providers. While the implementation has been deferred, it is inevitable that municipalities will have to ultimately comply. The monopoly that we 'enjoy' as a service provider will be placed in the spotlight and our customers (communities) will have added leverage to raise the bar for service delivery: a very positive intervention.

The global financial crisis has brought into sharp focus our financial sustainability as a municipality. Since we are primarily dependent on rates income, it will be prudent to explore other sustainable sources of income. Furthermore, we have to create a culture of cost-effectiveness. Technology must also compliment our human resources to be more economical and efficient.

Going forward, we must assess our progress in the year under review and together with our newly elected leadership, project a growth path to achieve all the goals as set out in the electoral mandate.



*"You are today where your thoughts have brought you,  
you will be tomorrow where your thoughts take you".*

**JAMES ALLEN**

Our fifth consecutive Unqualified Audit Report has brought a milestone to light: we have achieved a 'Clean Audit Report'. This key deliverable of good corporate governance is a national imperative to be achieved by 2014, hence operation 'Clean Audit 2014'.

While this is indeed a very laudable achievement, it can only be of significance if it informs improved service delivery which translates to a better quality of life for all our people. The attainment of this milestone is not an end in itself but must be sustained, for the attainment of any other audit opinion will clearly demonstrate a lapse in good corporate governance and point to institutional challenges. There are no long outstanding municipal service charges and taxes owed by the Umdoni Municipality as at the year end.

Given the presidential directive that "local government is everyone's business" there is much collaboration between national, provincial and local government. This is gratefully acknowledged with the understanding that together, we can do more.

As a municipality, we exist because of our communities and acknowledge that our functioning is dependent on the many roleplayers and stakeholders who are always willing to support us.

Human nature, by its very existence, is progressive. This progression should manifest itself as we seek to attain service delivery excellence.



**DD NAIDOO**  
**MUNICIPAL MANAGER**





# Audit Committee Chairman's Report

We are pleased to present our report for the financial year ended 30 June 2011.



Mr P Preston

## Audit Committee members and attendance

In terms of the Municipal Finance Management Act (MFMA) and the Umdoni Municipality's Audit Committee Charter, the Audit Committee as at the 30 June 2011, included four external independent members. None of the members were Councillors. Prior to the review and subsequent Council approval of the Audit Committee Charter in May 2011, the membership composition of the Audit Committee included the Municipal Manager, Mr DD Naidoo, and the General Manager: Corporate Services, Mrs GN Mavundla. The Audit Committee included the following members listed hereunder and has met regularly, as per its approved Charter. During the year under review, four meetings were held and attended. The following schedules include the attendance at all Performance Audit Committee meetings:

## External members

| NAME OF MEMBER                  | QUALIFICATIONS       | APPOINTED        | RESIGNED         | MEETINGS ATTENDED |
|---------------------------------|----------------------|------------------|------------------|-------------------|
| Mr Paul Preston <sup>A</sup>    | BA LLB               | 1 September 2010 | N/A              | 6 of 6            |
| Mr Sipho Nzuza <sup>A</sup>     | BCom, MBA, H Dip Tax | 1 February 2011  | N/A              | 4 of 4            |
| Ms Chantel Elliott <sup>A</sup> | BCom(Hons), CA(SA)   | 1 February 2011  | N/A              | 4 of 4            |
| Mr Imraan Lockhat <sup>A</sup>  | BCom(Hons), CA(SA)   | 1 February 2011  | N/A              | 4 of 4            |
| Mr Silas Hlophe <sup>B</sup>    | BCom(Hons)           | 1 September 2010 | 31 December 2010 | 2 of 2            |
| Mr Tumelo Tsotetsi <sup>B</sup> | BCom(Hons), CA(SA)   | 1 September 2010 | 31 December 2010 | 2 of 2            |

It is to be noted that the external membership of the Audit/Performance Audit Committee underwent a reconstitution twice during the year under review, hence the fluctuating attendance statistics. This did not apply to the internal members for the same reporting period. It is to be noted that with the advent of the new committee, many changes were imminent, one of which was the adoption of the new Audit Committee Charter to exclude internal membership thus ensuring alignment to the King III legislative principles and directive on the matter of independence. Such changes would be reported on in the forthcoming financial year. Statistics for internal membership are reflected below.

## Internal members

| NAME OF MEMBER               | DESIGNATION                         | RESIGNED     | MEETINGS ATTENDED |
|------------------------------|-------------------------------------|--------------|-------------------|
| Mr DD Naidoo <sup>A</sup>    | Municipal Manager                   | N/A          | 6 of 6            |
| Mrs GN Mavundla <sup>A</sup> | General Manager: Corporate Services | 30 June 2011 | 4 of 6            |

Table 1 (A & B): Statistical report on the number of Audit & Performance Audit Committee meetings.

## Audit Committee's responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2) of the Municipal Finance Management Act, 56 of 2003. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all of its responsibilities as contained therein. A summary of the Audit Committee's responsibilities in terms of the MFMA and its Charter is that it is responsible for, among other things, the following:

## Auditors and external audit

Discuss and review with external auditors, *inter alia*:

- the nature and scope of the audit function;
- the timing and nature of reports from the external auditors;
- any problems identified in the going concern of the Municipality;
- the Auditor-General's management letter and management response; and
- meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

## Annual Financial Statements

- review significant adjustments resulting from the audit;
- review effectiveness of the internal audit;
- review risk areas of the operations to be covered in the scope of the internal and external audits; and
- review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.

## Performance management

- review the quarterly reports submitted by internal audit on the performance management system;
- review the performance management system, ensuring its functionality and compliance with relevant legislation;
- focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators; and
- report on the outcomes of its review and focus areas to the Council at least twice per annum.

## Internal control and internal audit

The monitoring and supervising of the effective function of the internal audit including:

- evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
- review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business; and
- initiating investigations within its scope, e.g. employee fraud, misconduct or conflict of interest.

## Ethics

Reviewing the effectiveness of mechanisms for the identification and reporting of:

- any material violations of ethical conduct of Councillors and municipal staff;
- compliance with laws and regulations; and
- environmental and social issues.

## Compliance

- carrying out investigations into financial matters as Council may request;
- reviewing the effectiveness of mechanisms for the identification and reporting of:
  - compliance with laws and regulations; and
  - the findings of regulatory bodies or audit observations.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

## The effectiveness of internal controls

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King III Report on Corporate Governance Requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and recommended enhancements to the controls and processes.

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review, several instances of non-compliance were reported by Internal Audit that resulted from a breakdown in the functioning of controls. Various

reports of the Internal Auditors as well as the Audit Reports on the Annual Financial Statements and Management Letter of the Auditor-General indicated that the system of internal controls within key management processes had significant weaknesses. The Committee concurs and accepts the findings and recommendations of Internal Audit and is satisfied that once management has implemented the agreed recommendations, this will enhance the current control environment and effectiveness of internal controls.

## **The quality in-year management and monthly/quarterly report submitted in terms of the MFMA**

The Audit Committee received and reviewed performance management reports and is satisfied with the content and quality of these quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

## **Internal audit function**

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of projects undertaken by Internal Audit, arising from the risk assessment and the overall conclusions of the effectiveness of internal controls:

- quarterly reviews of performance management;
- follow-up: procure to pay;
- follow-up review: monitoring and evaluation: Disaster Rehabilitation Programme;
- information technology review/assessment (phase 1 – network parameters, master files, designs and infrastructure);
- compliance to applicable legislation.

An annual assessment of the Internal Audit function had been completed by management and the Audit Committee. The Audit Committee is satisfied with the performance of the Internal Audit function and reports that all projects in terms of the approved risk-based annual internal plan has been duly finalised for the year under review.

## **Evaluation of Annual Financial Statements**

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the Auditor-General (SA) and the Accounting Officer;
- reviewed the Auditor-General's management letter and management responses;
- reviewed the accounting policies and practices;
- evaluated the audited Annual Financial Statements to be included in the Annual Report and, based on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and treasury regulations, as well as the statements of Generally Recognised Accounting Practice (GRAP); and
- reviewed the particulars of the management action plan in response to the issues raised by the Auditor-General in his report.

## **Audit Report: regularity and performance – FYE 30 June 2011**

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

The Audit Committee also notes the matters raised under the heading 'Other matters' as well as the non-compliance with regulatory requirements under the heading 'audit findings' (performance information) in the report of the Auditor-General.

We also note the particulars of the management action plan in response to the issues raised by the Auditor-General in his report.

The resultant audit opinion is hereby noted with pleasure as a 'Clean Audit – with other matters'. On behalf of the



audit committee we hereby congratulate the Umdoni Council, both the erstwhile and present, including but not limited to the management team under the esteemed stewardship of the Municipal Manager, Mr DD Naidoo on the dedicated and concerted effort of attaining a goal which at one stage seemed unattainable.

### **Annual Report: FYE 30 June 2011**

I hereby report that the process plan for the adoption of the Annual Report: FYE 30 June 2011 as was duly submitted to Council has been complied and adhered to. Per legislation two oversight meetings were convened and matters addressed at such meetings are duly contained in reports annexed to this annual report (please refer to latter portion). I am pleased to report that all relevant stakeholders including Co-operative Governance and Traditional Affairs and the Auditor-General (SA) were concurrently participatory throughout the process to final adoption.

### **Conclusion**

I would like to thank my colleagues for making themselves available to serve on this Committee and for the significant contribution that they have made. As an Audit Committee, we rely to a great extent on the Manager: Internal Audit and her staff in the Internal Audit department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at Umdoni Municipality. We are indebted to them for their efficient service and assistance.

We are also grateful to the Chief Financial Officer, KZN Provincial Treasury, the Office of the Auditor-General (SA), Co-operative Governance and Traditional Affairs (CoGTA) and other invitees to our meetings, including the external service providers, all of whom provide invaluable information to the Committee.



**MR PAUL PRESTON**  
**CHAIRPERSON: UMDONI MUNICIPALITY**  
**Audit/Performance Audit Committee**  
**Date: 30 September 2011**



| ANNUAL MEETING STATISTICS (FY 2010-2011)   |                       |                           |                           |  |
|--|-----------------------|---------------------------|---------------------------|--|
| Audit Committee meetings: FY 2010-2011 (new Committee 1 July 2010)                 |                       |                           |                           |  |
| <i>Members</i>   | <i>23 August 2010</i> |                           |                           | <i>Total no. of meetings attended per member</i> |
| Mr SZ Hlope  | ✓                     | Resigned 29 November 2010 |                           | 1 of 1   |
| Mr P Preston   | ✓                     |                           | See schedule below        | 1 of 4   |
| Mr T Tsotetsi  | ✓                     | Resigned 1 December 2010  |                           | 1 of 1   |
| Mr DD Naidoo   | ✓                     |                           | See schedule below        | 1 of 4   |
| Mrs GN Mavundla  | ✓                     |                           | See schedule below        | 1 of 4   |
| Performance Audit Committee meetings: FY 2010/2011 (new Committee 1 July 2010)     |                       |                           |                           |  |
| <i>Members</i>   | <i>23 August 2010</i> |                           |                           |  |
| Mr SZ Hlope  | ✓                     |                           | Resigned 29 November 2010 | 1 of 1   |
| Mr P Preston   | ✓                     |                           |                           | 1 of 2   |
| Mr T Tsotetsi  | ✓                     |                           | Resigned 1 December 2010  | 1 of 1   |
| Mr DD Naidoo   | ✓                     |                           |                           | 1 of 2   |
| Mrs GN Mavundla  | ✓                     |                           |                           | 1 of 2   |
| Audit Committee meetings: FY 2010/2011 (new Committee 1 February 2011)             |                       |                           |                           |  |
| <i>Members</i>   | <i>23 August 2010</i> | <i>29 March 2011</i>      | <i>15 June 2011</i>       | <i>Total no. of meetings attended per member</i> |
| Mr P Preston   | ✓                     | ✓                         | ✓                         | 4 of 4   |
| Mr S Nzuza   | See previous schedule | ✓                         | ✓                         | 3 of 3 (new member)                              |
| Ms C Elliott   | See previous schedule | ✓                         | ✓                         | 3 of 3 (new member)                              |
| Mr I Lockhat   | See previous schedule | ✓                         | ✓                         | 3 of 3 (new member)                              |
| Mr DD Naidoo   | ✓                     | ✓                         | ✓                         | 4 of 4   |
| Mrs GN Mavundla  | ✓                     | ✗                         | ✓                         | 2 of 4   |
| Performance Audit Committee meetings: FY 2010/2011 (new Committee 1 February 2011) |                       |                           |                           |  |
| <i>Members</i>   | <i>23 August 2010</i> | <i>19 April 2011</i>      |                           | <i>Total no. of meetings attended per member</i> |
| Mr P Preston   | ✓                     | ✓                         |                           | 2 of 2   |
| Mr S Nzuza   |                       | ✓                         |                           | 1 of 1 (new member)                              |
| Ms C Elliott   | See previous schedule | ✓                         |                           | 1 of 1 (new member)                              |
| Mr I Lockhat   |                       | ✓                         |                           | 1 of 1 (new member)                              |
| Mr DD Naidoo   | ✓                     | ✓                         |                           | 2 of 2   |
| Mrs GN Mavundla  | ✓                     | ✓                         |                           | 2 of 2   |

# Overview of the Municipality

Umdoni Municipality is located in the Ugu District and covers an area of approximately 238 km². The coastline stretches for about 40 km and is approximately 50 km from the city of Durban and 65 km from Port Shepstone.

According to Statistics South Africa and based on the Community Survey 2007, Umdoni Municipality has a total population of 74 437 (which makes up 10% of the District Municipality). The Independent Electoral Commission records indicate that as at the end of June 2011, there were 38 225 Umdoni citizens registered in the voters roll). The following comparison has been provided in respect of voter registration:

| 2007   | 2008   | 2009   | 2010   | 2011    |
|--------|--------|--------|--------|---------|
| 22 238 | 22 727 | 30 264 | 35 589 | *38 225 |

Voter registration figures per ward were as follows as at June 2011:

|         |         |
|---------|---------|
| Ward 1  | 3 407   |
| Ward 2  | 4 218   |
| Ward 3  | 3 691   |
| Ward 4  | 2 765   |
| Ward 5  | 4 124   |
| Ward 6  | 4 015   |
| Ward 7  | 3 422   |
| Ward 8  | 4 187   |
| Ward 9  | 3 717   |
| Ward 10 | 4 481   |
| Total   | *38 027 |

**\*NOTE:** The difference between the total number of voters per ward and the number of registered voters for the year of reporting relates to deaths – the voters roll is linked to the National Population Register and the figures on the voters roll are automatically updated when a death occurs.

Other statistics relating to the Umdoni Municipal area which were extracted from the Statistics SA 2007 Community Survey Data area as follows: it is to be noted that these statistics are from the 2007 Survey and no information was available at this time of preparing this report. It is hoped that new statistics will be available in the 2011/2012 Annual Report as the Census is currently underway.



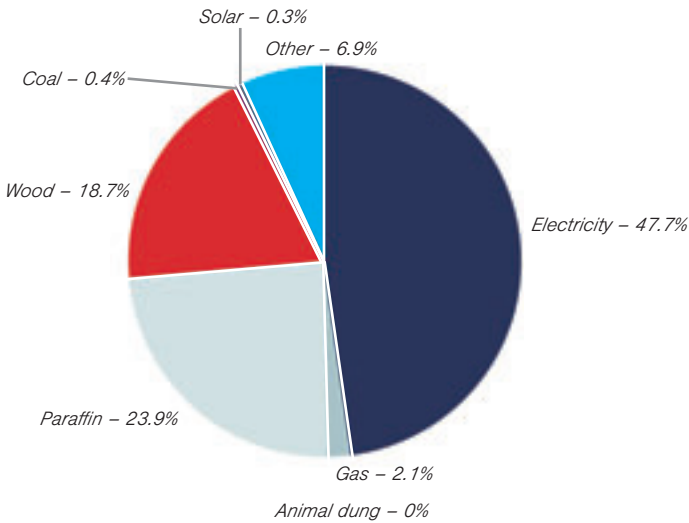
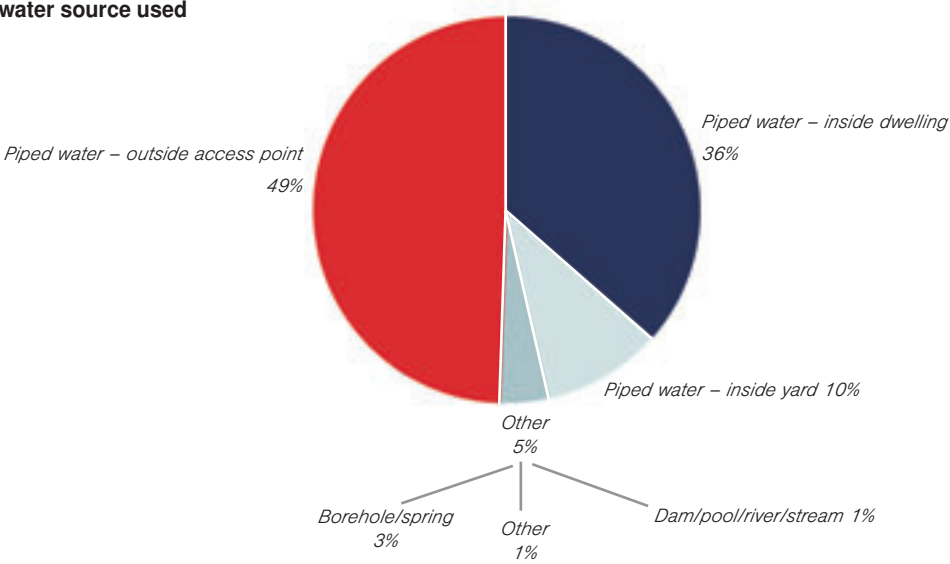


Other statistics relating to the Umdoni Municipal area are extracted from the Statistics South Africa 2007 Community Survey Data. No updated information was available at the time of producing this Annual Report:

| NO. OF HOUSEHOLDS IN UMDONI AREA                          | 16 383 |
|---|--------|
| Percentage of persons by gender                           |        |
| Males   | 49.1%  |
| Females   | 50.9%  |
| Percentage of persons by population group                 |        |
| Black   | 81.5%  |
| Coloured  | 1.2%   |
| Indian or Asian   | 10.6%  |
| White   | 6.7%   |
| Percentage of population by age group                     |        |
| Age 0-14  | 30.3%  |
| Age 15-64   | 63.9%  |
| Age 65+   | 5.8%   |
| Percentage of type of toilet facility per household       |        |
| Flush toilet  | 55.7%  |
| Pit toilet  | 32.6%  |
| Chemical or dry   | 4.8%   |
| None  | 6.9%   |
| Percentage of households by tenure status                 |        |
| Owned and fully paid                                      | 55.7%  |
| Owned, not paid off                                       | 10.1%  |
| Rented  | 15.4%  |
| Occupied rent free  | 18.3%  |
| Other   | 0.5%   |
| Percentage type of energy used for lighting per household |        |
| Electricity   | 60.5%  |
| Gas   | 0.3%   |
| Paraffin  | 6.4%   |
| Candles   | 32.6%  |
| Solar   | 0%     |
| Other   | 0.2%   |
| Main type of energy used for cooking                      |        |
| Electricity   | 51.0%  |
| Gas   | 4.1%   |
| Paraffin  | 35.9%  |
| Wood  | 8.7%   |
| Coal  | 0%     |
| Animal dung   | 0.1%   |
| Solar   | 0%     |
| Other   | 0.2%   |

| Households by type of main dwellings |       |
|--------------------------------------|-------|
| Formal                               | 69.3% |
| Traditional                          | 24.4% |
| Informal                             | 5.1%  |
| Other                                | 1.2%  |
| Main source of water                 |       |
| Piped water – inside dwelling        | 36.1% |
| Piped water – inside yard            | 9.5%  |
| Piped water – outside access point   | 50.0% |
| Sub total                            | 95.6% |
| Borehole/spring                      | 2.6%  |
| Dam/pool/river/stream                | 0.9%  |
| Other                                | 0.9%  |

Type of water source used



## Traditional authorities

Like all other constitutionally recognised traditional leadership structures, Umdoni has three traditional authorities within its jurisdiction, with each authority being constituted of different areas (*izigodi*) as follows:

| TRADITIONAL AUTHORITY   | TRADITIONAL LEADER   | AREA   |
|---|--|--|
| Shozi Traditional Authority (Emalangeneni)  | Inkosi ST Shozi  | Uswani<br>iNkombo<br>uMhlangamkhulu<br>Amangamazi<br>Emafithini<br>uMdasha     |
| Cele Traditional Authority (Emandawe/KwaCele)   | Inkosi SD Cele<br>The traditional court is at KwaCele area                             | Olwandle<br>Kwenkulu<br>Umgwempisi<br>Okhalweni<br>Emahlathini<br>Mistake Farm |
| Zembeni Traditional Authority (Emahlongwa)<br>This traditional authority overlaps two municipalities<br>i.e. Umdoni and Vulamehlo | Inkosi NJ Mqadi<br>The traditional court is at Dududu area<br>(Vulamehlo Municipality) | uMgobhozini<br>Oggolweni   |

## Umdoni municipal area and attractions

### Topography

The Umdoni region has been extensively transformed over the past 100 years as a result of human settlement and agricultural activities. The Umdoni Municipality also forms part of the Indian Ocean Coastal Belt, the largest bioresource group in the province, which extends along the entire coastline of KwaZulu-Natal between sea-level and an altitude of approximately 450 metres. The coastal belt between the Mtamvuna and Thukela Rivers is steeply rolling and approximately 20 km wide.

### Climate

The temperate climate of the KwaZulu-Natal coast is influenced by the warm Indian Ocean. Summers are hot and humid, while winters are mild. Most of the rain occurs in the summer, from late September to March. Within the Umdoni Municipality, the highest rainfall (910-965 mm) falls along the coast from south of Park Rynie to Sezela and also at Mtwalume. Rainfall decreases in a westerly direction but averages about 850 mm mean annual precipitation.

### Water

The middle South Coast region contains three major water sources, namely the Mtwalume River, Umzinto Dam (Mzinto River) and EJ Smith Dam. Rivers: aMahlongwa, Mpambanyoni, Mzinto, Ifafa and Mtwalume have been assessed as vulnerable, thus placing the biodiversity patterns and ecological processes associated with that river significantly at risk.

Due to the middle South Coast region experiencing below average rainfalls which had a negative effect on the Umzinto and EJ Smith dams, Umgeni Water has supplemented water to Umzinto Water Works by constructing an additional pipeline which connects with the existing South Coast bulk supply pipeline from Amanzimtoti to Park Rynie and beyond Umzinto. The pipeline ensures a clean and constant supply of potable water.

### Vegetation and habitats

EKZNW lists three vegetation types as existing in the Umdoni Municipality, namely South Coast grassland, South Coast bushland and KwaZulu-Natal coastal forests.

### Land use zones

The Umdoni Municipality can be divided into three major land use zones: commercial agriculture dominated by sugar cane, the traditional authority areas located in the north of the municipal area, and the coastal urban nodes forming part of the ribbon development along the KwaZulu-Natal South Coast.





## Tourism

The beaches and sea are clearly the main attractions, with Scottburgh being the leading centre. Tidal pools, surf and rock fishing, surfing, deep-sea fishing and scuba diving are all associated activities. From this natural resource, a whole range of activities and businesses have emerged: golf course, mini-golf, restaurants and shops aimed at the tourism market, catering, accommodation from camp sites and caravan parks to upmarket rental units and holiday homes.

## Beaches

Many of the Umdoni beaches have undergone upgrades after the June 2008 flood damage and tidal surge damage. The Scottburgh Beach, Park Rynie Beach and Campsite, Pennington Main Beach and Ifafa Beach are popular tourist attractions and all these sites have lifeguards in attendance during peak holiday seasons.

## Ugu South Coast Tourism

The Ugu District Municipality established Ugu South Coast Tourism (Pty) Ltd as a municipality entity as contemplated by Section 86B of the Local Government Municipal Systems Act 32 of 2000. Ugu South Coast Tourism covers the municipality areas of Ezinqoleni, Hibiscus Coast, Umdoni, Umuziwabantu, Umzumbe and Vulemehlo, which are all established within the geographical area of Ugu District Municipality. Ugu Municipality is authorised to deal with and develop tourism in terms of its Service Level Agreement with South Coast Tourism. The aims and objectives of the Ugu South Coast Tourism (Pty) Ltd is to promote tourism growth and market the region as a premier tourist destination.

Listed below are some of the events organised for the Umdoni area.

## Annual Sardine Run

One of the biggest tourist attractions on our coast is the annual Sardine Run, a phenomenon where a huge shoal of sardines leaves the west coast of Africa to follow the cold ocean current that flows up the South Coast of KwaZulu-Natal during the winter months.



### **The Easter Couta Classic**

The Pennington Easter Couta Classic is organised by the local Pennington Ski Boat Club. This competition commenced approximately twenty-two years ago, in a garage in Salmon Drive. The first prize was a deep freeze. The popularity of this event has escalated among the fishing fraternity country-wide, as have the prizes, now no longer deep freezes, but a boat and trailer. Coupled with the fishing event are many features such as a fleamarket and various competitions, which lifts the sleepy coastal village of Pennington into a hive of activity for locals and visitors from afar.



### **Sani2C Mountain Biking Event**

Sani2c began as the dream of Farmer Glen, an avid mountain bike enthusiast and co-organiser of the Imana Wild Ride. In 1998, together with a few local nutty mountain bikers, he completed the first trial run. The following year, he scouted and refined the rugged path with the objective of establishing a world-class route. He invited friends and experienced mountain bikers to join in on the infamous dry runs. February 2005 saw the inaugural Sani2c, which was highly successful, and the 2006 event saw Subaru coming on board as the title sponsor. With their assistance, the event was elevated to a national event status. Later that year, Sani2c was awarded the status of Best Cycle Race of the Year at the Annual South African Cycling Awards evening.

To handle the increased numbers, the route planners continually develop a number of innovative new ideas for Sani2c. The 2010 race attracted 750 teams for both races. Demand for entries and pressure from communities wanting to participate in the event saw some radical changes for the 2008 event. The decision to change the format of the event to be run as two separate races, a split into the Sani2c Adventure and Sani2c Race, was a world first. The new event format proved to be a massive hit and the Sani2c Adventure has become the most sought after race in the country. Riding from the Drakensberg mountains, through the glorious Umkomaas valley to complete the ride on the beach at Scottburgh, has proved itself an undoubted winner.

Today, Sani2c, with the adventure and race, is the biggest full-serviced stage race in the world. More importantly than size, it has consistently been voted the number one race over the years by riders in bicycling magazines.

### **JOBERG2C - Mountain Biking Event**

The Joberg2C came about through the enthusiasm for the Sani2C. This new event is a nine-day off-road experience. Glen Haw joined forces with the 'Berg and Bush' race organisers Gary and Nicky Green to develop a new race and brought in the marketing experience of Craig Wapnick to form the Fairburn Capital Joberg2C. The race takes place over nine days and covers approximately 900 kilometres (exact distances will vary each year) from Heidelberg in Gauteng to Scottburgh.

Innovation is the key in sport and the country's top-tier semi-pro and amateur mountain bikers can now apply to race as 'professionals' in next year's Old Mutual joBerg2c. Organisers of the nine-day event have made team entries available to worthy applicants in the men's, ladies' and mixed categories.

**Scottburgh Mardi Gras**

This is an annual event which is held in December of each year. The event is organised by the Scottburgh 106 Round Table and is held in the main street of Scottburgh (Scott Street). This even generates much-needed funds for various community projects within Umdoni Municipal areas, as well as providing entertainment for visitors to the area over the festive period.

**South Coast Carnival**

This is an annual event held in November at the Scottburgh Main Beach. Events include kitesurfing as well as longboarding and SUP events.

**Golfing**

The Umdoni area is the proud home to the Selborne Spa and Golf Estate, Umdoni Park Golf Club and Scottburgh Golf Club. During the year of reporting, Umdoni Tourism hosted the annual Sardine Golf Tournament utilising three courses: Selborne, Umdoni and Scottburgh.

**Development**

Just a decade ago, the Umdoni Municipality was characterised as having relatively low levels of development. However, the recent rapid growth in the real estate market has resulted in a huge increase in development along the environmentally-sensitive coastal strip, which places severe pressure on the fragile coastal and marine environment. The area's relatively unspoilt natural features are constantly under threat from developments and practices that are not in accordance with good environmental management principles.



**Vernon Crookes Nature Reserve**

Although the Reserve is located in the Vulamehlo area, the Nature Reserve is an attraction of the Umdoni area. The reserve covers 2 189 hectares and was proclaimed on 4 January 1973. It contains vegetation which is typical of the southern coastal regions of KwaZulu-Natal. The reserve hosts 56 mammal species which include zebra, blue wildebeest, bushbuck, blesbok, impala, oribi reedbuck, blue and grey duiker, banded mongoose, vervet monkeys, black-backed jackal, rock hyrax, tree hyrax, caracal, porcupine and a variety of mongoose. Birdlife is abundant, with over 300 confirmed species and the reserve also has an interesting variety of flora. There are 12 km of tourist roads in the reserve and a pleasant picnic site is available.





## Crocworld

Crocworld was established in 1985 and has become one of the main tourist attractions on the South Coast. It is landscaped with indigenous trees and plants to blend in with the surrounding coastal forest. There are waterfalls, cycad gardens and magnificent sea and spectacular inland valley views. A rope bridge is suspended over the water enclosing the oldest and heaviest known Nile crocodile. Crocworld boasts a large collection of snakes and also showcases some of South Africa's endangered tortoise. Crocworld has stopped all crocodile farming operations and now solely functions as a tourist attraction. It can now be described as a reptile and bird park.

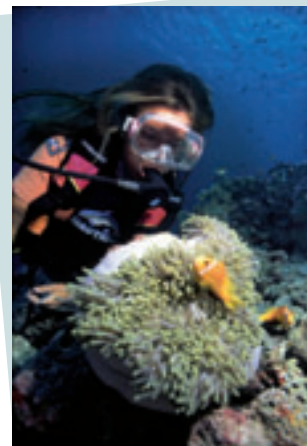


## TC Robertson Nature Reserve

TC Robertson Nature Reserve has become a popular picnic venue for people who enjoy a pleasant day in the country. Access is easy for motorists as it is a 40-minute drive south of Durban and just a ten-minute walk from the centre of Scottburgh or from the main beach area. There are over 180 species of birds, and bushbuck grey duiker and blue duiker are often seen. The 10 km trail system has proven popular and there are spectacular views over the forest and the floodplain of the Mpambanyoni River.

## Aliwal Shoal

Aliwal Shoal is a renowned site which offers some of the most spectacular diving, fishing, and shark and whale watching in the southern hemisphere, and is one of the top ten dive sites in the world. In 2005, the Aliwal Shoal was declared a Marine Protected Area (MPA) under section 43 of the Marine Living Resources Act, 18 of 1998. This regulates and limits the activities that can take place within the defined boundaries of this area. The importance of Aliwal Shoal as a Marine Protected Area is to protect and conserve the marine environment and biodiversity of the area. It also acts as a breeding ground and nursery area for fish species and to enhance fish stocks in adjacent areas. An MPA also promotes and regulates eco-tourism activities and enhances research and education programmes that highlight the marine environment.



## Ski Boat Clubs

KwaZulu-Natal has a large boat-based marine recreational and commercial industry that includes line fishing, scuba diving and other activities. Many of the vessels used in this industry are relatively small (less than 10 m in length) and are capable of being launched directly through the surf from specially demarcated beach launch sites. Control over these sites is vested in the provincial government in terms of Government Notice No. 1399 of 21 December 2001 – Control of Vehicles in the Coastal Zone Regulations (as amended by Government Notice No. 27066 of 7 December 2004) and the provisions of Section 44 of the National Environmental Management Act, NEMA (No. 107 of 1998).

There are five licensed ski-boat launch sites in Umdoni Municipality. These are located at Scottburgh, Rocky Bay, Pennington, Bazley and Mtwalume. Rocky Bay is the most utilised site in Umdoni Municipality. In 2010, launches took place on 83% of days in the year. Usage was as follows: Charter fishing (42%), private recreational fishing (22%), charter scuba diving (21%) and commercial fishing (9%).

## Sezela Sugar Mill

With its rated crushing capacity of 450 tons cane an hour, Sezela is Illovo Sugar Ltd's largest sugar mill in South Africa. It ranks as the third largest mill in the South African sugar industry and is the second largest factory of its kind in the world. Sezela Sugar Mill produces only raw sugar that is marketed internationally by the SA Sugar Association, through Durban's world-class bulk sugar terminal. Today, Sezela – along with its three sister factories in KwaZulu-Natal and Illovo Sugar's seven other sugar factories in five other southern African countries – is a modern sugar operation with ongoing technical development. The adjacent Sezela downstream plant utilises the mill's bagasse to manufacture furfural (used mainly in lube oil refineries for the purification of oils), furfural alcohol (used mainly to produce a resin in the foundry industry as a binder for foundry sands), Agriguard (an agricultural nematicide), diacetyl and 2,3-pentanedione (both used as high quality natural flavourants), and BioMass Sugar (a sugar cane-based fertiliser). Illovo Sugar has pioneered the production of furfural from bagasse at its Sezela-based plant.



# Governance

For the period June 2010 to May 2011, Umdoni Municipal Council consisted of 18 Councillors, four of which were full-time Councillors. The political and gender representation of Umdoni Council during that period was as follows:

| POLITICAL PARTY | TOTAL NO. OF COUNCILLORS | MALE      | FEMALE   |
|-----------------|--------------------------|-----------|----------|
| ACDP            | 1                        | 1         | -        |
| ANC             | 9                        | 5         | 4        |
| DA              | 3                        | 3         |          |
| IFP             | 3                        | 2         | 1        |
| MF              | 2                        |           | 2        |
| <b>Total</b>    | <b>18</b>                | <b>11</b> | <b>7</b> |

There were the following resignations/changes during the year of reporting:

- Cllr K Moodley resigned with effect from 22 March 2011 and was replaced by Cllr RJ Budge with effect from 4 May 2011;
- Cllr GN Mbambo was expelled from the IFP with effect from 1 April 2011 and was replaced by Cllr JN Ndlela with effect from 1 April 2011;
- Cllr SP Gambushe was on extended leave of absence due to ill health for the period 27 July 2010 till the date of elections;
- Cllr ES Gumede passed away on 26 January 2011.

Elections were held on 18 May 2011. Umdoni Council now consists of 19 Councillors, four of whom are full-time Councillors. The political and gender representation of Umdoni Council for the ensuing year (2011/2012) is as follows:

| POLITICAL PARTY | TOTAL NO. OF COUNCILLORS | MALE      | FEMALE   |
|-----------------|--------------------------|-----------|----------|
| ANC             | 12                       | 7         | 5        |
| DA              | 4                        | 4         | 0        |
| IFP             | 1                        | 1         | 0        |
| MF              | 1                        | 0         | 1        |
| NFP             | 1                        | 0         | 1        |
| <b>Total</b>    | <b>19</b>                | <b>12</b> | <b>7</b> |

Ward Councillors with effect from 18 May 2011:

|         |                   |
|---------|-------------------|
| Ward 1  | Cllr MM Maphumulo |
| Ward 2  | Cllr BM Mthethwa  |
| Ward 3  | Cllr S Bhoola     |
| Ward 4  | Cllr MO Zama      |
| Ward 5  | Cllr SSI Khwela   |
| Ward 6  | Cllr TH Ngcobo    |
| Ward 7  | Cllr GH Nyuswa    |
| Ward 8  | Cllr BJ Mtolo     |
| Ward 9  | Cllr LN Myende    |
| Ward 10 | Cllr KK Armugam   |

Following the elections which were held on 18 May 2011, the Umdoni Municipal Council held its Inaugural Statutory Meeting on Tuesday 31 May 2011. All in-coming Councillors took their Oath of Office under scrutiny of the Chief Magistrate, Mr Shandu of the Scottburgh Court, after which the election of the Speaker, Executive Committee, Mayor and Deputy Mayor took place and various committees were established. The Statutory Meeting was then adjourned and reconvened on Wednesday 1 June 2011 where all other matters required in terms of the various sets of legislation were dealt with.

**Councillor inauguration ceremony**





## Out-going Councillors



*Cllr NH Gumede: Her Worship  
the Mayor – Ward 6 (ANC)*



*Cllr P Naidoo  
Deputy Mayor (ANC)*



*Cllr MO Zama: Speaker –  
Ward 4 (ANC)*



*Cllr SP Gambushe  
PR (IFP) & Exco Member*



*Cllr EV Baptie  
Ward 5 (DA)*



*Cllr G Myende  
Ward 8 (ANC)*



*Cllr M Moodley  
Ward 3 (ANC)*



*Cllr S Bhoola  
PR (MF)*



*Cllr MF Sulagan  
PR (IFP)*



*Cllr PH Ngcobo  
Ward 2 (ANC)*



*Cllr D Cele  
Ward 1 (ANC)*



*Cllr K Moodley  
PR (DA)*



*Cllr RW Meyer  
Ward 7 (DA)*



*Cllr ES Gumede  
Ward 9 (ANC)*



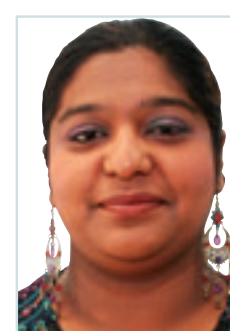
*Cllr NCP Msani  
PR (ANC)*



*Cllr K Ramadu  
PR (ACDP)*



*Cllr GN Mbambo  
PR (IFP)*



*Cllr J Sheik Hassan PR  
(MF)*



## Incoming Councillors



*Cllr SSI Kwela: His Worship the Mayor – Ward 5 (ANC)*



*Cllr MO Zama: Deputy Mayor – Ward 4 (ANC)*



*Cllr P Naidoo  
Speaker (ANC)*



*Cllr EV Baptie  
Exco Member, PR1 (DA)*



*Cllr DP Gambushe  
PR3 (ANC)*



*Cllr MN Maphumulo  
Ward 1 (ANC)*



*Cllr M Moodley  
PR1 (ANC)*



*Cllr BM Mthethwa  
Ward 2 (ANC)*



*Cllr BJ Mtolo  
Ward 8 (ANC)*



*Cllr LN Myende  
Ward 9 (ANC)*



*Cllr TH Ngcobo  
Ward 6 (ANC)*



*Cllr GH Nyuswa  
Ward 7 (ANC)*



*Cllr TH Zondi  
PR 2 (ANC)*



*Cllr KK Armugam  
Ward 10 (DA)*



*Cllr SD Mdluli  
PR3 (DA)*



*Cllr RW Meyer  
PR2 (DA)*



*Cllr JM Ndlela  
PR1 (IFP)*



*Cllr S Bhoola  
Ward 3 (MF)*



*Cllr GN Mbambo  
PR1 (NFP)*

## Report on Council and its committees

It is important to note that although this Annual Report is for the period 1 July 2010 to 30 June 2011, due to the Municipal Elections which were held in May 2011, the following schedule depicts attendance at meetings up to 17 May 2011. Attendance of Councillors at meetings for the period 1 July 2010 to 17 May 2011 for the various committees was as follows:

| COUNCILLOR   | COUNCIL & SPECIAL COUNCIL | EXCO & SPECIAL EXCO | FINANCE & ADMIN                          | COMMUNITY SERVICES                         | PD & I                                  |
|--|---------------------------|---------------------|--|--|---|
| <b>Total meetings (1 July 2010 to 17 May 2011)</b> | <b>10</b>                 | <b>11</b>           | <b>5</b>                                 | <b>6</b>                                   | <b>7</b>                                |
| Cllr Baptie, EV                                    | 9                         |                     |  |  | 7                                       |
| Cllr Bhoola, S                                     | 8                         |                     |  |  | 6                                       |
| Cllr Cele, D                                       | 10                        |                     |  | 5  | 6                                       |
| Cllr Gambushe, SP                                  | 0                         | 1                   |  | 0  |   |
| *Cllr Gumede, ES                                   | 0                         |                     |  | 0<br>No longer a member from Sept. 2010    | 0<br>No longer a member from Sept. 2010 |
| Cllr Gumede, NH (Mayor)                            | 10                        | 11                  | 3  | 3 (of 3) (member and Chair from Nov. 2010) |   |
| Cllr Hassan, JS                                    | 9                         |                     |  | 4  |   |
| Cllr Mbambo, GN                                    | 7 (of 9)                  |                     | 4  |  |   |
| Cllr Meyer, RJW                                    | 9                         |                     | 5  |  |   |
| Cllr Moodley, K                                    | 7 (of 8)                  |                     |  | 4  |   |
| Cllr Moodley, M                                    | 8                         |                     | 4  | 5  |   |
| Cllr Msani, NLP                                    | 9                         |                     | 1 (of 5) member from Sept. 2010          | 3 (of 5) member from Sept. 2010            |   |
| Cllr Myende, GH                                    | 9                         |                     | 0<br>(no longer a member from Aug. 2010) | 1 (of 1) no longer a member from Aug. 2010 |   |
| Cllr Naidoo, P                                     | 10                        | 11                  | 5  |  | 7                                       |
| Cllr Ndlela, JM                                    | 1 (of 1)                  |                     |  |  |   |
| Cllr Ngcobo, PH                                    | 8                         |                     |  | 3 (of 5) member from Sept. 2010            | 1 (of 5) member from Sept. 2010         |
| Cllr Ramadu, K                                     | 7                         |                     | 4  |  |   |
| Cllr Sulagan, MS                                   | 10                        |                     |  |  | 7                                       |
| Cllr Zama, MO                                      | 10                        | 7<br>Ex-officio     |  |  | 7                                       |

\*Cllr ES Gumede sadly passed away on 26 January 2011.

Due to the ill health of certain Councillors, the following changes in membership on various committees were effected during the year of reporting:

- Cllr PH Ngcobo and Cllr NLP Msani were elected to serve on the Community Services Committee. These changes were made due to ill health of Cllr ES Gumede and GH Myende.
- Cllr PH Ngcobo also replaced Cllr ES Gumede on the PD & I Committee and Cllr NLP Msani replaced Cllr GH Myende on the F&A Committee.
- Cllr SP Gambushe submitted Leave of Absence for the period 27 July 2010 – 31 August 2010 due to ill health and did not return to Council thereafter due to ill health. Her Worship the Mayor replaced Cllr Gambushe as Chairperson of the Community Services Committee.

- Cllr K Moodley resigned with effect from 22 March 2011.
- Cllr GN Mbambo was expelled from the IFP with effect from 1 April 2011. Cllr JM Ndlela replaced Cllr Mbambo on the Council with effect from 1 April 2011.

The new Council was elected and was effective from 26 May 2011. Attendance at meetings for the period May and June 2011 for in-coming Councillors was as follows:

| COUNCILLOR  | COUNCIL MEETING<br>TOTAL MEETINGS = 3 | EXCO MEETING<br>TOTAL MEETINGS = 1 |
|---|---------------------------------------|------------------------------------|
| Cllr Armugam, KK  | 2                                     |                                    |
| Cllr Baptie, EV <i>Exco Member</i>                        | 3                                     | 1                                  |
| Cllr Bhoola, S  | 3                                     |                                    |
| Cllr Gambushe, SP   | 3                                     |                                    |
| Cllr Khwela, SSI (Mayor) <i>Exco Member</i>               | 3                                     | 1                                  |
| Cllr Maphumulo, MN  | 3                                     |                                    |
| Cllr Mbambo, GN   | 3                                     |                                    |
| Cllr Mdluli, SD   | 2                                     |                                    |
| Cllr Meyer, RJW   | 2                                     |                                    |
| Cllr Moodley, MD  | 3                                     |                                    |
| Cllr Mthethwa, BM   | 3                                     |                                    |
| Cllr Mtolo, BJ  | 3                                     |                                    |
| Cllr Myende, LN   | 3                                     |                                    |
| Cllr Naidoo, P (Speaker) <i>Ex-Officio Member of Exco</i> | 3                                     | 1                                  |
| Cllr Ndlela, JM   | 3                                     |                                    |
| Cllr Ngcobo, TH   | 3                                     |                                    |
| Cllr Nyuswa, GH   | 3                                     |                                    |
| Cllr Zama, MO (Deputy Mayor) <i>Exco Member</i>           | 3                                     | 1                                  |
| Cllr Zondi, TH  | 3                                     |                                    |

### Executive Committee meetings: June 2010 to May 2011

The Executive Committee meets once per month and the meetings are open to the public. The Mayor, Cllr Mrs NH Gumede chairs the Exco meetings and the Executive Committee comprises the following Councillors:

- Cllr NH Gumede, (Mayor and Chairperson of Exco).
- Cllr P Naidoo (Deputy Mayor).
- Cllr SP Gambushe (Exco Member).
- Cllr MO Zama (Speaker and Ex-officio Member).

Attendance at Exco meetings for the period 1 July 2010 – 30 June 2011 was as follows:

- Her Worship the Mayor, Cllr NH Gumede (Chairperson of Exco) – attended 11 of 11 meetings.
- Deputy Mayor, Cllr P Naidoo attended 11 of 11 meetings.
- Cllr SP Gambushe (Exco Member) attended one of 11 meetings.
- Cllr MO Zama (Speaker and Ex-officio Member of Exco) attended seven of 11 meetings.

The inaugural meeting of the Umdoni Municipality was held on **31 May 2011** and the following Councillors were elected into positions:

- Cllr P Naidoo was elected as Speaker of Umdoni Municipality.
- Cllr SS Khwela was elected as Mayor of Umdoni Municipality.
- Cllr MO Zama was elected as Deputy Mayor of Umdoni Municipality.

The Election of the Executive Committee was also undertaken in terms of Section 43 of the Municipal Structures Act, and the Council established an Executive Committee consisting of three members, made up as follows:

ANC: Two members

DA: One member

Council resolved that the EXCO seats shall comprise the following Councillors:

- Cllr SSI Khwela (ANC)
- Cllr MO Zama (ANC)
- Cllr EV Baptie (DA)
- Cllr P Naidoo (ANC) Ex-officio Exco Member.



*Cllr SSI Khwela: His Worship the Mayor – Ward 5 (ANC)*



*Cllr MO Zama: Deputy Mayor – Ward 4 (ANC)*



*Cllr EV Baptie  
Exco Member, PR1 (DA)*



*Cllr P Naidoo  
PR4 (ANC) & Ex-officio Exco  
Member*

The newly elected Exco Members had one meeting during the period of reporting which was held on 21 June 2011. All Exco members were present at the meeting.

No portfolio or sub-committee meetings were held during the month of May/June 2011.

### Portfolio Committees

The Umdoni Municipal Council is supported by a committee system with Portfolio Committees. The Municipality has three Portfolio Committees, namely Community Services, Planning Development and Infrastructure and the Finance and Administration Committee. These committees meet once a month and make recommendations to the Executive Committee which assists Exco in policy development and accelerated service delivery.

### Community Services Committee meeting: July 2010 to May 2011

The Community Services Committee advises and recommends to Exco in respect to the following: clinics, libraries, beaches, housing, protection services, community facilities, traffic and special programmes.

Chairpersonship of the Committee changed during the year of reporting due to the ill health of the Chairman elect (Cllr Gambushe). Her Worship the Mayor was elected to chair the Committee Meeting in Cllr Gambushe's absence.

Members' attendance at the Community Portfolio Committee meetings for the period July 2010 to May 2011 was as follows:

#### Members:

- \*Cllr SP Gambushe (Chairperson)
- \*Cllr NH Gumede (Mayor and Chairperson from November 2010)
- Cllr D Cele
- Cllr JS Hassan
- Cllr ES Gumede (replaced from September 2010)
- Cllr K Moodley
- Cllr M Moodley
- Cllr GH Myende (replaced from September 2010)
- \*Cllr PH Ngcobo (member from September 2010)
- \*Cllr NLP Msani (member from September 2010)



| TOTAL NUMBER OF MEETINGS = 6                 |          | %    |
|--|----------|------|
| Cllr SP Gambushe (Chair)                     | 0        | 0%   |
| Cllr D Cele                                  | 5        | 83%  |
| Cllr JS Hassan                               | 4        | 67%  |
| Cllr ES Gumede                               | 0        | 0%   |
| Cllr K Moodley                               | 4        | 67%  |
| Cllr M Moodley                               | 5        | 83%  |
| Cllr GH Myende                               | 1        | 17%  |
| Cllr PH Ngcobo                               | 3 (of 5) | 60%  |
| Cllr NLP Msani                               | 3 (of 5) | 60%  |
| Cllr NH Gumede (Mayor) and replacement Chair | 3 (of 3) | 100% |

### Planning, Development and Infrastructure Committee: July 2010 to May 2011

The Planning, Development and Infrastructure Committee was chaired by Councillor P Naidoo. It advises and recommends to Exco in respect of the following:

**Planning:** town planning and development planning, building control and planning;

**Development:** IDP (monitoring, evaluation, amendment and review), and local economic development;

**Infrastructure:** roads, stormwater, parks and gardens, maintenance and building maintenance, refuse collection and landfill site.

Members' attendance at the Planning, Development and Infrastructure Committee Meeting for the period July 2010 to May 2011 was as follows:

**Members:**

- Cllr P Naidoo (Deputy Mayor) (Chairman)
- Cllr S Bhoola
- Cllr EV Baptie
- Cllr D Cele
- Cllr ES Gumede (replaced from September 2010)
- Cllr MO Zama
- Cllr MS Sulagan
- \*Cllr PH Ngcobo (member from September 2010)

| TOTAL NUMBER OF MEETINGS = 7 |          | %    |
|------------------------------|----------|------|
| Cllr P Naidoo (Chairman)     | 7 (of 7) | 100% |
| Cllr S Bhoola                | 6 (of 7) | 86%  |
| Cllr EV Baptie               | 7 (of 7) | 100% |
| Cllr D Cele                  | 6 (of 7) | 86%  |
| Cllr ES Gumede               | 0        | 0%   |
| Cllr MO Zama                 | 7 (of 7) | 100% |
| Cllr MS Sulagan              | 7 (of 7) | 100% |
| Cllr PH Ngcobo               | 1 (of 5) | 20%  |

### Finance and Administration Committee: July 2010 to May 2011

The Finance and Administration Committee is chaired by Her Worship the Mayor. It advises and recommends to Exco in respect of the following:

**Finance:** financial planning, financial policies, financial management and financial reports;

**Administration:** by-laws, regulations and associated procedures, leasing, letting and hiring, information technology, legal services, secretariat, municipal offices and accommodation, records systems and human resources.

Members' attendance at the Finance and Administration Committee meetings for the period July 2010 to May 2011 was as follows:

**Members:**

- Cllr NH Gumede (Mayor) – Chairperson of F&A
- Cllr P Naidoo
- Cllr RWJ Meyer
- Cllr GH Myende (replace from September 2010)
- Cllr M Moodley
- Cllr GN Mbambo
- Cllr K Ramadu
- \*Cllr NLP Msani (member from September 2010).

| TOTAL NUMBER OF MEETINGS = 5 |          | %    |
|------------------------------|----------|------|
| Cllr NH Gumede               | 3 (of 5) | 60%  |
| Cllr P Naidoo                | 5 (of 5) | 100% |
| Cllr RJW Meyer               | 5 (of 5) | 100% |
| Cllr GH Myende               | 0        | 0%   |
| Cllr M Moodley               | 4 (of 5) | 80%  |
| Cllr GM Mbambo               | 4 (of 5) | 80%  |
| Cllr K Ramadu                | 4 (of 5) | 80%  |
| *Cllr NLP Msani              | 1 (of 5) | 20%  |



## MAYORAL PROGRAMMES AND HIGHLIGHTS

### **Mandela Day: Painting of Macebo Primary School**

As part of celebrating Mandela Day, Umdoni Municipality identified Macebo Primary School as a means of giving back to the community. Officials and Councillors dedicated their time to painting the entire school building. Macebo Primary School is situated in Ward 2 and was one of the schools identified in the rural area as needing assistance.



### **Ghandinagar: Handover of title deeds: 30 August 2010**

The MEC for Human Settlements and Public Works in KwaZulu-Natal, Ms Maggie Govender, Mayor of Ugu District Municipality, Cllr SB Cele and the Mayor of Umdoni Municipality, Cllr NH Gumede, handed over 51 title deeds to Ghandinagar residents on 30 August 2010. This ceremony increased the number of homeowners at Ghandinagar to 63%. The beneficiaries had waited 16 years to own these homes.

This exercise was made possible with the implementation of the Enhanced Extended Discount Benefit Scheme that was started by Umdoni Municipality in 2007.





*Handover of title deeds at Ghandinagar.*

### **Umdoni Mayoral Izimbizo 2010: 16-23 November 2010**

As part of Public Participation Week, Umdoni Municipality holds Mayoral Izimbizos every year. This is done in order to receive feedback from the communities on services that are being delivered by the Municipality. This approach seeks to reinforce continuous public participation. The imbizos are held in partnership with different government departments, namely the Department of Health, Social Development and SASSA. This programme assists people travelling long distances to obtain services.





These engagements were held as follows for the 2010/2011 financial year:

| DATE             | WARD/COUNCILLOR         | VENUE                      |
|------------------|-------------------------|----------------------------|
| 16 November 2010 | Ward 1 – Cllr D Cele    | Okhalweni                  |
| 17 November 2010 | Ward 8 – Cllr GH Myende | Golokodo                   |
| 18 November 2010 | Ward 2 – Cllr PH Ngcobo | KwaSgewu                   |
| 19 November 2010 | Ward 7 – Cllr RJW Meyer | Kelso informal settlements |
| 22 November 2010 | Ward 3 – Cllr M Moodley | Ghandinagar                |
| 23 November 2010 | Ward 5 – Cllr EV Baptie | Amandawe                   |

**Scottburgh CBD Christmas lights  
switch-on ceremony:  
13 December 2010**

As part of the festive season, Umdoni Municipality undertook an initiative to decorate the town of Scottburgh. The ceremony was held at the Scottburgh Library. This was followed by the official ‘switch on’ at the traffic circle by Her Worship the Mayor of Umdoni Municipality, Cllr NH Gumede. Various stakeholders around Scottburgh were part of this ceremony.



**IDP/Budget Road Shows:  
16-18 March 2011**

In accordance with Chapter 4 of the Municipal Systems Act, Umdoni Municipality consults with the public to obtain their input into the IDP and budget. These engagements were held as follows:



| AREA       | VENUE                     | DATE          |
|------------|---------------------------|---------------|
| Amahlongwa | Amahlongwa Community Hall | 16 March 2011 |
| Scottburgh | Scottburgh Town Hall      | 16 March 2011 |
| Amandawe   | Amandawe Community Hall   | 17 March 2011 |
| Umzinto    | Umzinto Town Hall         | 17 March 2011 |

### Sod turning of Malangeni Bridge: 22 March 2011

During the 2008 flood disaster, Malangeni Bridge was severely damaged. On 22 March 2011, the MEC for Transport in KwaZulu-Natal, Mr Willies Mchunu, turned the sod for the bridge. It was repaired at a cost of R10 million. This bridge will greatly assist the community of Malangeni who currently have to use alternative routes to work and school.



### Official opening of Malangeni Library and Sportsfield: 12 April 2011

The KwaZulu-Natal MEC for Arts, Culture, Sports and Recreation, Mrs Weziwe Thusi, visited the area of Malangeni to officially open these important and much needed facilities. Both facilities will greatly assist the community residing in Malangeni and surrounding areas.





*Official opening of the Malangen Library and Sportsfield.*

### **Official opening of Olwasini Sportsfield: 20 April 2011**

The opening of Olwasini Sportsfield took place on 20 April 2011 and was welcomed by the people of Olwasini. Her Worship the Mayor of Umdoni Municipality, Cllr NH Gumede, Councillors and Inkosi Cele, officially opened this facility and handed it over to the community. The opening was attended by approximately 500 people. The sportsfield consists of changing rooms with showers, ablution block with running water as well as a combination court.



### **Official opening of Amandawe Sportsfield: 29 April 2011**

This facility was officially opened by Her Worship the Mayor of Umdoni Municipality, Cllr NH Gumede and Councillors on 29 April 2011. It has a sportsfield, ablution facilities and changing rooms.



### **Official opening of Ghandinagar Community Centre & Sportsfield: 6 May 2011**

The crèche, although built many years ago, was being used as a community centre and more recently, the need to renovate this facility was realised. The crèche was fully renovated to a community centre, it comprises a hall, ablution block, fully tiled kitchen with fans and equipment.

The Chief Whip of the KZN Legislature, Mr RR Pillay and the Mayor of Umdoni Municipality, officially opened the Ghandinagar Community Centre and Sportsfield on 6 May 2011.





The Ghandinagar Sportsfield was initially built at a cost of R 1,9 million. Further funds were sourced and total funds spent on this facility amount to R 4,2 million. The sportsfield was built with a surface of 8 000 m<sup>2</sup> with change rooms, ablution facility and an open stand seating area. The project is not yet finalised and still requires fencing, tarring and a seating pavilion, which will be completed in the next phase.

**Unveiling of the Statue to Commemorate the Arrival of Indians in South Africa: 13 May 2011**

The MEC for Human Settlements and Public Works in KwaZulu-Natal, Ms Maggie Govender, and the Mayor of Umdoni, Cllr Mrs Gumede, unveiled the statue. It signifies the arrival of Indian labourers who came to South Africa to work in sugarcane estates 150 years ago. This historical event was witnessed by the senior citizens from different areas of Umdoni and general members of the public.



**Sod turning for Social Development Offices: 17 May 2011**

The Sod Turning for the Social Development offices was officially done by the Mayor of Umdoni Municipality, Cllr Mrs Gumede. This project will cost between R 15 million and R 20 million and the buildings will be leased to the Department of Social Development.



## Chapter 3

# HUMAN RESOURCES/ORGANISATIONAL STRUCTURE

## The Management Team



*Mr DD Naidoo  
Municipal Manager*



*Mr XS Luthuli  
General Manager Community Services*



*Mrs G Mavundla  
General Manager: Corporate  
Services – resigned: 30 June 2011*



*Mr A Nunkumar  
General Manager: Financial Services*



*Mr V Chetty  
General Manager: Technical Services*



*Ms EB Jaca  
Senior Manager: Strategic Planning &  
Development*



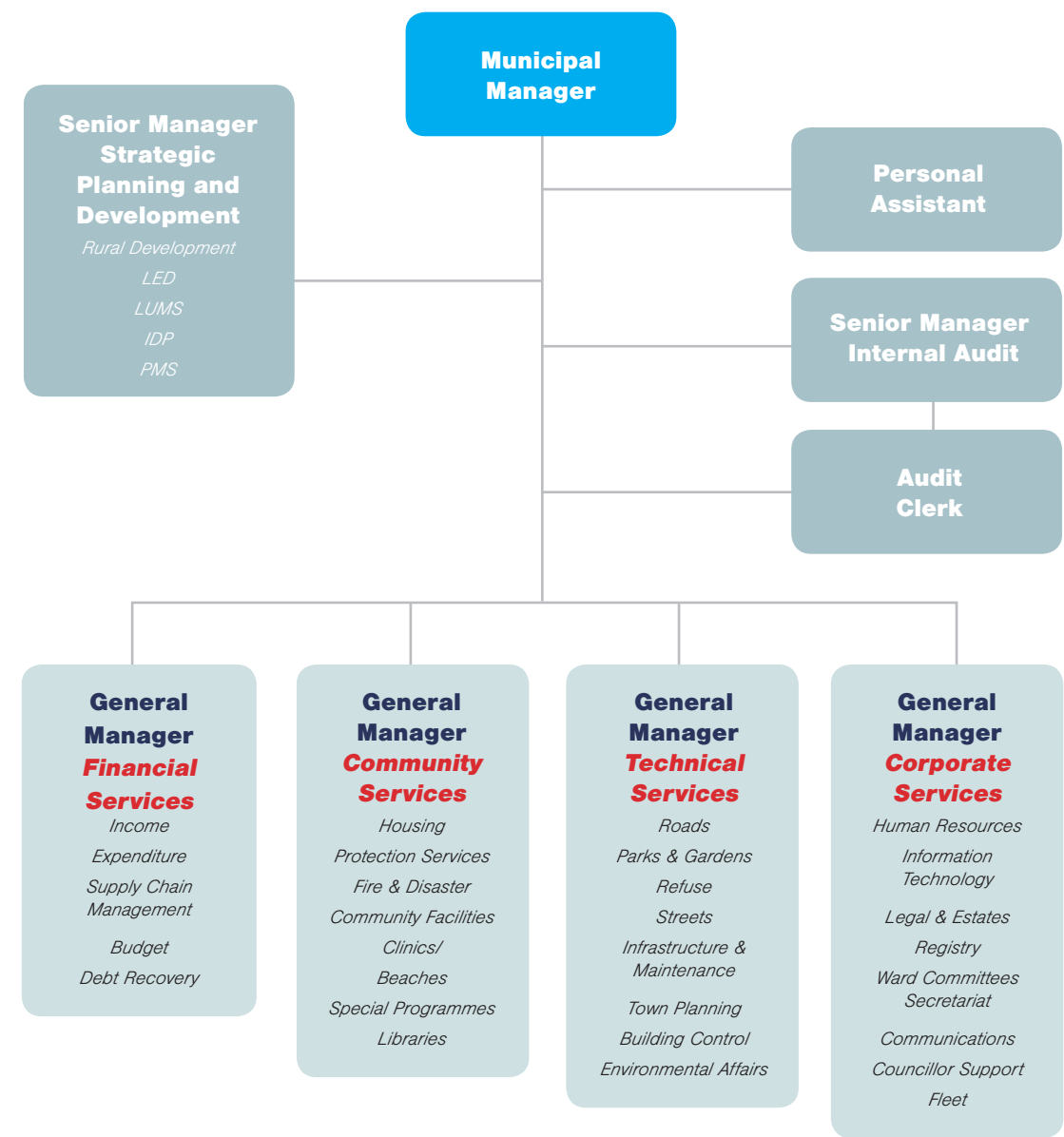
*Mrs N Harisingh  
Manager: Internal Audit*



# Organisational Structure

The main focus of the Human Resources department is to ensure efficient and effective service delivery, both to our internal and external customers, and to ensure fairness, openness and transparency and an office environment where confidentiality is maintained at all times.

The following organisational structure was approved by Council in November 2010:



## Staffing information

### Appointments

Following the recruitment and selection process, the following key positions were filled:

| KEY POSITIONS                               | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL     |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-----------|
|   | African | Coloured | Indian | White | African | Coloured | Indian | White |           |
| Manager income                              |         |          |        |       |         |          |        | 1     | 1         |
| Housing manager                             |         |          | 1      |       |         |          |        |       | 1         |
| Senior supt. infrastructure and maintenance |         |          | 1      |       |         |          |        |       | 1         |
| Senior building                             |         |          | 1      |       |         |          |        |       | 1         |
| Professional nurse                          |         |          |        |       | 2       |          |        |       | 2         |
| Debt recovery officer                       |         |          | 1      |       |         |          |        |       | 1         |
| Building inspectors                         | 1       |          | 1      |       | 1       |          |        |       | 3         |
| Secretary – GMFS                            |         |          |        |       |         |          |        | 1     | 1         |
| Internal Audit clerk                        |         |          |        |       | 1       |          |        |       | 1         |
| HR admin assistant                          |         |          |        |       | 1       |          |        |       | 1         |
| Library assistants                          |         |          |        |       | 2       |          | 2      |       | 4         |
| Motor licensing clerk                       |         |          |        |       | 1       |          |        |       | 1         |
| Debtors clerk                               |         |          |        |       |         |          | 1      |       | 1         |
| Creditors clerk                             |         |          |        |       | 1       |          |        |       | 1         |
| Procurement clerk                           |         |          |        |       | 1       |          |        |       | 1         |
| Receptionist                                |         |          |        |       | 1       |          |        |       | 1         |
| Traffic warden                              |         |          |        | 1     |         |          |        |       | 1         |
| Fire fighters – Shared Services             | 4       |          |        |       |         | 1        |        |       | 5         |
| Control room operators – Shared Services    |         |          |        |       | 2       |          |        |       | 2         |
| Cybercadet – Malangeni                      | 1       |          |        |       |         |          |        |       | 1         |
| Special Programmes co-ordinators            | 1       |          |        |       | 1       |          |        |       | 2         |
| Budget interns                              | 1       |          |        |       | 3       |          |        |       | 4         |
| General workers                             | 9       |          | 2      |       | 11      |          |        |       | 22        |
| <b>Total</b>                                |         |          |        |       |         |          |        |       | <b>59</b> |

Following the recruitment and selection procedure, a total of 59 positions were filled within the Municipality, whereas in the last financial year, only 25 positions were filled. Umdoni Municipality is growing significantly each year with a wide caliber of individuals from different cultures and backgrounds.

### Resignations

| KEY POSITIONS                          | MALE      |          |          |       | FEMALE   |          |          |          | TOTAL     |
|--|-----------|----------|----------|-------|----------|----------|----------|----------|-----------|
|  | African   | Coloured | Indian   | White | African  | Coloured | Indian   | White    |           |
| Legislators                            | 1         |          | 1        |       | 1        |          |          |          | 3         |
| Professionals                          |           |          | 1        |       | 2        |          |          |          | 3         |
| Community and personal service workers | 1         |          |          |       |          |          |          |          | 1         |
| Clerical and admin                     | 2         |          |          |       | 1        |          | 2        | 1        | 6         |
| Technician and trade                   | 1         |          |          |       |          |          |          |          | 1         |
| Machine operators and drivers          | 1         |          |          |       |          |          |          |          | 1         |
| General workers                        | 5         |          |          |       | 1        |          |          |          | 6         |
| <b>Total</b>                           | <b>11</b> |          | <b>2</b> |       | <b>5</b> |          | <b>2</b> | <b>1</b> | <b>21</b> |



In comparison to previous financial years, in 2009/2010, the resignations, retirements and deceased personnel totalled 14. In the 2008/2009 financial year, there were 12 personnel, and in this financial year there were 21.

### Dismissals

Whereas in the last financial year a total of three staff were dismissed from the services of Council, in this financial year it is pleasing to report that no staff were dismissed.

### Total staff establishment

The total staff establishment within Umdoni Municipality is as follows:

| PERMANENT STAFF | TEMPORARY STAFF | FIXED TERM CONTRACTS | SECTION 57 | COUNCILLORS |
|-----------------|-----------------|----------------------|------------|-------------|
| 376             | 28              | 33                   | 5          | 19          |

The 376 permanent staff are distributed as follows throughout the departments of the Municipality:

| PERMANENT STAFF | DEPARTMENT         | HEAD OF DEPARTMENT                           |
|-----------------|--------------------|--|
| 213             | Technical Services | Mr S Chetty                                  |
| 118             | Community Services | Mr XS Luthuli                                |
| 20              | Financial Services | Mr A Nunkumar                                |
| 21              | Corporate Services | Mrs GN Mavundla (resigned from 30 June 2011) |
| 4               | Municipal Manager  | Mr DD Naidoo                                 |

### Staff breakdown per functional area (inclusive of permanent, fixed term contracts and Section 57 officials)

| OCCUPATIONAL CATEGORIES                    | MALE       |          |        |       | FEMALE  |          |        |       |
|--|------------|----------|--------|-------|---------|----------|--------|-------|
|  | African    | Coloured | Indian | White | African | Coloured | Indian | White |
| Legislators, senior officials and managers | 1          |          | 3      |       | 1       |          |        |       |
| Professionals                              | 3          |          | 5      |       | 8       |          | 1      | 1     |
| Technicians and associate professionals    | 8          |          | 8      | 1     | 2       |          | 4      |       |
| Clerks                                     | 13         |          | 14     |       | 37      | 1        | 18     | 9     |
| Service and sale workers                   | 13         | 2        | 4      | 4     | 10      | 1        | 2      |       |
| Craft and related trade workers            | 18         |          |        |       |         |          |        |       |
| Plant and machine operators and assemblers | 18         |          | 4      |       | 1       |          |        |       |
| Elementary occupations                     | 142        | 1        | 14     |       | 39      |          | 3      |       |
| Total                                      | 216        | 3        | 52     | 5     | 98      | 2        | 28     | 10    |
| <b>Grand total</b>                         | <b>414</b> |          |        |       |         |          |        |       |

### Employment Equity Statistics – a comparative between 2010/2011 and 2009/2010

The Employment Equity report is developed and submitted annually at the end of September. Over the page are the statistics of different categories of staff for the financial year 2010/2011 (the breakdown is inclusive of permanent, fixed term and Section 57 personnel).

| 2010/2011   |            |          |        |       |         |          |        |       |
|---|------------|----------|--------|-------|---------|----------|--------|-------|
| OCCUPATIONAL CATEGORIES   | MALE       |          |        |       | FEMALE  |          |        |       |
|   | African    | Coloured | Indian | White | African | Coloured | Indian | White |
| Top management  |            |          | 1      |       |         |          |        |       |
| Senior management   | 1          |          | 2      |       | 1       |          |        |       |
| Professionally qualified and experienced specialists  | 3          |          | 6      |       | 8       |          | 1      | 1     |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 5          |          | 9      | 3     | 5       |          | 6      | 3     |
| Semi-skilled and discretionary decision-making  | 61         | 2        | 20     | 2     | 45      | 2        | 18     | 6     |
| Unskilled and defined decision-making   | 146        | 1        | 14     |       | 39      |          | 3      |       |
| Total   | 216        | 3        | 52     | 5     | 98      | 2        | 28     | 10    |
| <b>Grand total</b>  | <b>414</b> |          |        |       |         |          |        |       |

## Training and skills development

According to the Skills Development Act, municipalities must submit the Workplace Skills Plan and Training Report annually at 30 June each year. Umdoni Municipality successfully submitted its Workplace Skills Plan and Annual Training Report on 27 June 2011 to the Local Government Seta.

The following skills programmes were undertaken:

| SKILLS PROGRAMME             | TOTAL NUMBER OF PARTICIPANTS TRAINED |
|------------------------------|--------------------------------------|
| ELMDP                        | 4                                    |
| Bricklaying                  | 15                                   |
| Plumbing                     | 15                                   |
| First Aid training           | 10                                   |
| Skippers training category C | 5                                    |
| Customer service excellence  | 20                                   |
| IDP skills training          | 7                                    |
| <b>Total</b>                 | <b>76</b>                            |

## Employee Assistance Programme

Umdoni Municipality held its first 'Wellness Day' as part of its Employee Assistance Programme on 8 November 2010. The purpose of the programme was to create an awareness of health, provide staff with different aspects of their health, and give them information on how they can achieve good health and promote a healthy way of living.

All staff within the employ of Umdoni Municipality were invited to attend this programme. The provider of the programme was Key Health, and staff were tested for sugar diabetes, blood pressure, cholesterol, were given eye and various other tests. The programme proved to be a success and was supported by all the staff.

| 2009/2010   |            |          |        |       |         |          |        |       |
|---|------------|----------|--------|-------|---------|----------|--------|-------|
| OCCUPATIONAL CATEGORIES   | MALE       |          |        |       | FEMALE  |          |        |       |
|   | African    | Coloured | Indian | White | African | Coloured | Indian | White |
| Top management  |            |          | 1      |       |         |          |        |       |
| Senior management   | 1          |          | 2      |       | 1       |          |        |       |
| Professionally qualified and experienced specialists  | 4          |          | 5      |       | 6       |          | 1      | 1     |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 4          |          | 5      | 4     | 5       |          | 7      | 3     |
| Semi-skilled and discretionary decision-making  | 55         | 2        | 23     | 2     | 28      | 1        | 19     | 6     |
| Unskilled and defined decision-making   | 143        | 1        | 11     |       | 28      |          | 3      |       |
| Total   | 207        | 3        | 47     | 6     | 68      | 1        | 30     | 10    |
| <b>Grand total</b>  | <b>372</b> |          |        |       |         |          |        |       |

## Liabilities

| 2008/2009   | 2009/2010   | 2010/2011   |
|---|---|---|
| Staff injured on duty = 9   | Staff injured on duty = 3   | Staff injured on duty = 9   |
| CCMA cases which resulted in cost implications for the Municipality = 1 | CCMA cases which resulted in cost implications for the Municipality = 3 | CCMA cases which resulted in cost implications for the Municipality = Nil |

## Trend of personnel expenditure

|   |                  |
|---|------------------|
| Total salaries budget allocated to Human Resources Department for 2010/2011 | R 667 283        |
| Total budgeted expenditure  | R 1 221 621      |
| <b>Total operating costs</b>  | <b>R 555 005</b> |

## Disclosures concerning Councillors, directors and senior officials

### Note on staff costs

Below is a summary of employee costs for the 2010/2011 financial year. For further details, refer to Note 24 & 25 of the Annual Financial Statements.

| STAFF       | 2010/2011  | 2009/2010  |
|-------------|------------|------------|
| Actual      | 51 781 298 | 49 073 950 |
| Budget      | 50 186 330 | 45 204 178 |
| Variance    | 1 594 968  | 3 869 772  |
| % Variance  | 3%         | 9%         |
| COUNCILLORS | 2010/2011  | 2009/2010  |
| Actual      | 4 533 785  | 4 396 181  |
| Budget      | 4 533 784  | 4 453 000  |
| Variance    | (1)        | (56 819)   |
| % Variance  | 0%         | (1%)       |

**Pension fund for Councillors and officials**

There are three pension funds which staff members are affiliated to:

| NAME OF PENSION FUND | MEMBERSHIP OF STAFF |
|----------------------|---------------------|
| Superannuation       | 58                  |
| Retirement           | 49                  |
| Provident            | 259                 |
| SALA                 | 3                   |
| GEPP                 | 1                   |

Eighteen Councillors belong to the Municipal Councillors' Pension Fund and contributions by Councillors to the fund is 100%.

**Medical aid membership of staff and Councillors**

| NAME OF MEDICAL FUND | NUMBER OF STAFF AND COUNCILLORS PER MEDICAL AID |
|----------------------|---|
| Bonitas              | 133   |
| Hosmed               | 8   |
| KeyHealth            | 11  |
| LA Health            | 7   |
| SAMWU – MED          | 13  |
| PARMED               | 1   |



# AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2011

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## Certification of Annual Financial Statements

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 44 to 98 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in Note 26 of these Annual Financial Statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act, (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.



**DD NAIDOO**  
**MUNICIPAL MANAGER**  
**UMDONI MUNICIPALITY**

31 August 2011

# Report of the Auditor-General

for the year ended 30 June 2011

## Report on the financial statements

### Introduction

1. I have audited the accompanying financial statements of the Umdoni Municipality, which comprise the statement of financial position as at 30 June 2011, the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 87.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DORA) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice No. 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umdoni Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

### Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

### Irregular expenditure

8. Irregular expenditure of R 930 138, as disclosed in note 35.3 of the financial statements, was incurred as a result of the Municipality procuring with suppliers whose members were in the service of the state, contrary to paragraph 44 of the Municipal Supply Chain Management (SCM) regulations and deviations not approved contrary to section 36 of the SCM policy.

### Additional matter

I draw attention to the matter on the following page. My opinion is not modified in respect of this matter:

#### **Unaudited supplementary schedule**

9. The supplementary information provided on pages 88 to 98 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon.

#### **Report on other legal and regulatory requirements**

##### **Predetermined objectives**

10. There were no material findings on the annual performance report.

##### **Compliance with laws and regulations**

11. There are no findings concerning non-compliance with material matters in laws and regulations applicable to the Municipality.

#### **Internal control**

12. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. There are no significant deficiencies in internal control that resulted in a qualification of the auditor's opinion on the financial statements and/or findings on predetermined objectives and/or material non-compliance with laws and regulations.

**Pietermaritzburg**  
**30 November 2011**



## Plan of corrective measures

Final audit report for the year ended 30 June 2011

| Plan of Corrective Measures by the respective departments to address findings raised by A-G (SA) in the Audit Report (final draft): FY 2010-2011 |      |  |  |                |          |
|--|------|--|--|----------------|----------|
| REGULARITY AUDIT   |      |  |  |                |          |
| Category   | Ref. | Findings   | Action plan  | Person resp.   | Due date |
| Irregular expenditure  | 8    | Irregular expenditure of R 930 138, as disclosed in note 35.3 of the financial statements, was incurred as a result of the Municipality procuring with suppliers whose members were in the service of the state, contrary to paragraph 44 of the Municipal Supply Chain Management (SCM) regulations and deviations not approved contrary to section 36 of the SCM policy. | This consists of the following expenditure:<br><b>R 187 644:</b> This relates to procurement which was undertaken by the user department without following the necessary processes. This was identified prior to payment and a section 36 deviation approved prior to payment. All departments have been workshopped on the process. Should this continue, disciplinary action shall be recommended. | GM: FS         | Ongoing  |
|  |      |  | <b>R 742 495:</b> This relates to expenditure incurred with individuals who were employed by provincial and national departments. The AG has agreed that no central database exists to verify this against and as such, poses a national challenge. This shall be raised with the provincial SCM forum to provide guidance.  | M: Expenditure | Ongoing  |
| PERFORMANCE AUDIT  |      |  |  |                |          |
| Category   | Ref. | Findings   | Action plan  | Person resp.   | Due date |
|  |      |  | NIL  |                |          |



## Statement of Financial Position

as at 30 June 2011

|  | Notes | 2011<br>R          | 2010<br>R          |
|--|-------|--------------------|--------------------|
| <b>NET ASSETS AND LIABILITIES</b>                        |       |                    |                    |
| <b>Net assets</b>  |       |                    |                    |
| Accumulated surplus                                      | 1     | 423 535 797        | 263 634 508        |
| Housing Development Fund                                 | 2     | 25 779 997         | 31 623 553         |
|  |       | <b>449 315 794</b> | <b>295 258 061</b> |
| <b>Non-current liabilities</b>                           |       |                    |                    |
| Long-term liabilities                                    | 3     | 947 340            | 1 277 305          |
| Provision for post-retirement medical benefits           | 4     | 15 850 004         | 11 517 917         |
| Provision for long service awards                        | 5     | 901 506            | 863 041            |
| Provision for refuse site rehabilitation                 | 6     | 2 492 050          | 2 804 850          |
| Provision for staff leave                                | 13    | 4 899 541          | 4 009 835          |
|  |       | <b>25 090 442</b>  | <b>20 472 948</b>  |
| <b>Current liabilities</b>                               |       |                    |                    |
| Current portion of long-term liabilities                 | 3     | 1 734 916          | 1 501 429          |
| Current portion for liabilities for medical aid benefits | 4     | 442 512            | 357 468            |
| Current portion of liabilities for long service awards   | 5     | 191 432            | 204 832            |
| Unspent conditional grants and receipts                  | 9     | 114 166 623        | 256 566 399        |
| Accounts payable   | 8     | 30 899 158         | 25 114 597         |
| Cash and cash equivalents                                | 19    | 11 247 789         | 2 787 957          |
|  |       | <b>158 682 430</b> | <b>286 532 682</b> |
| <b>TOTAL NET ASSETS AND LIABILITIES</b>                  |       | <b>633 088 666</b> | <b>602 263 691</b> |
| <b>ASSETS</b>  |       |                    |                    |
| <b>Non-current assets</b>                                |       |                    |                    |
| Property, plant and equipment                            | 11,43 | 421 538 552        | 264 596 295        |
| Investment property                                      | 12    | 197 000            | 197 000            |
| Investments  | 14    | -                  | -                  |
|  |       | <b>421 735 552</b> | <b>264 793 295</b> |
| <b>Current assets</b>                                    |       |                    |                    |
| Inventory  | 15    | 74 907             | 36 312             |
| Consumer receivables                                     | 16    | 28 078 968         | 25 871 214         |

## Statement of Financial Position

as at 30 June 2011 (continued)

|                           | Notes | 2011<br>R          | 2010<br>R          |
|---------------------------|-------|--------------------|--------------------|
| Other receivables         | 17    | 54 851             | 12 336             |
| VAT                       | 18    | 13 658 934         | 7 474 131          |
| Short-term investments    | 14    | 169 060 487        | 302 613 221        |
| Cash and cash equivalents | 19    | 424 967            | 1 463 182          |
|                           |       | <b>211 353 114</b> | <b>337 470 396</b> |
| <b>TOTAL ASSETS</b>       |       | <b>633 088 666</b> | <b>602 263 691</b> |

## Statement of Financial Performance

as at 30 June 2011

|   | Notes | Actual<br>2011<br>R | 2010<br>R          | Budget<br>2011<br>R | 2010<br>R         |
|---|-------|---------------------|--------------------|---------------------|-------------------|
| <b>REVENUE</b>                                    |       |                     |                    |                     |                   |
| Revenue from non-exchange transactions            |       |                     |                    |                     |                   |
| Property rates                                    | 20    | 48 566 675          | 45 473 217         | 49 085 000          | 45 349 868        |
| Property rates – penalties and collection charges |       | 2 302 661           | 2 995 973          | 3 000 035           | 2 600 000         |
| Fines   |       | 1 499 829           | 889 640            | 1 494 888           | 1 689 670         |
| Licences and permits                              |       | 5 237 907           | 5 029 220          | 5 907 830           | 5 113 300         |
| Government grants and subsidies                   | 22    | 183 012 587         | 130 763 139        | 148 273 104         | 23 272 483        |
| Rental of facilities and equipment                |       | 4 159 745           | 3 240 806          | 4 090 623           | 3 748 900         |
| Decrease in refuse site provision                 | 6     | 312 800             | -                  | -                   | -                 |
| Decrease in bad debt provision                    | 16    | 224 445             | -                  | -                   | -                 |
| Revenue from exchange transactions                |       |                     |                    |                     |                   |
| Service charges                                   | 21    | 7 195 761           | 6 319 417          | 8 260 069           | 6 270 334         |
| Interest earned                                   |       | 13 385 013          | 22 329 410         | 4 444 950           | 7 033 500         |
| Other income                                      | 23    | 5 664 592           | 3 553 313          | 3 931 374           | 3 370 986         |
| <b>TOTAL INCOME</b>                               |       | <b>271 562 015</b>  | <b>220 594 135</b> | <b>228 487 873</b>  | <b>98 449 041</b> |
| <b>EXPENDITURE</b>                                |       |                     |                    |                     |                   |
| Employee-related costs                            | 24    | 56 878 106          | 49 593 154         | 51 653 006          | 45 204 178        |
| Remuneration of Councillors                       | 25    | 4 573 485           | 4 396 181          | 4 573 485           | 4 453 000         |
| Depreciation                                      | 43    | 10 641 369          | 8 052 491          | 122 381 019         | 3 550 122         |
| Repairs and maintenance                           |       | 7 062 972           | 5 472 579          | 7 265 499           | 6 760 958         |
| Interest paid                                     | 26    | 102 662             | 97 901             | 224 000             | 886 600           |
| Contracted services                               | 29    | 11 118 821          | 10 815 558         | 11 042 447          | 10 935 928        |
| General expenses                                  | 30    | 25 998 970          | 26 564 900         | 24 728 634          | 20 510 203        |
| Contributions to provisions                       | 27    | 1 356 870           | 3 073 223          | 6 276 458           | 5 910 246         |
| Contribution to refuse site rehabilitation        | 6     | -                   | 355 350            | 342 000             | 220 000           |
| <b>TOTAL EXPENDITURE</b>                          |       | <b>117 733 255</b>  | <b>108 421 337</b> | <b>228 486 548</b>  | <b>98 431 235</b> |
| <b>SURPLUS FOR THE YEAR</b>                       |       | <b>153 828 760</b>  | <b>112 172 798</b> | <b>1 325</b>        | <b>17 805</b>     |

## Statement of Changes in Net Assets

for the year ended 30 June 2011

|  | Housing<br>Development<br>Fund | Accumulated<br>surplus/<br>(deficit) | Total              |
|--|--------------------------------|--------------------------------------|--------------------|
|  | R                              | R                                    | R                  |
| <b>2009</b>  |                                |                                      |                    |
| <b>Balance at 1 July 2009</b>  | 34 302 931                     | 138 224 737                          | 172 527 668        |
| Surplus for the year   | 9 264                          | 112 172 798                          | 112 182 062        |
| Assets disposals related to the housing operating account                  | (2 688 641)                    |                                      | (2 688 641)        |
| Prior year adjustments   |                                | 13 236 973                           | 13 236 973         |
| <b>Balance at 30 June 2010</b>   | <b>31 623 554</b>              | <b>263 634 508</b>                   | <b>295 258 062</b> |
| <b>2011</b>  |                                |                                      |                    |
| Surplus for the year   | 39 767 321                     | 153 828 760                          | 193 596 081        |
| Assets disposal related to the housing operating account                   | (45 610 878)                   |                                      | (45 610 878)       |
| Revaluation of assets  |                                | 6 799 206                            | 6 799 206          |
| Prior year adjustments   |                                | (726 676)                            | (726 676)          |
| <b>Balance at 30 June 2011</b>   | <b>25 779 997</b>              | <b>423 535 797</b>                   | <b>449 315 794</b> |
| Detail on the movement of funds and reserves are set out in notes 1 and 2. |                                |                                      |                    |



## Cash Flow Statement

for the year ended 30 June 2011

|   | Notes | 2011<br>R            | 2010<br>R            |
|---|-------|----------------------|----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                        |       |                      |                      |
| <b>Cash generated from (utilised in) operations</b>               | 31    | 143 586 160          | 88 287 002           |
| Interest received   |       | 13 385 013           | 22 329 410           |
| Interest paid   |       | (102 662)            | (97 901)             |
| <b>Net cash from (utilised in) operating activities</b>           |       | <b>156 868 511</b>   | <b>110 518 511</b>   |
| <b>CASH FLOWS FROM (UTILISED IN) INVESTING ACTIVITIES</b>         |       |                      |                      |
| Purchase of property, plant and equipment                         |       | (166 270 080)        | (108 158 195)        |
| Proceeds on disposal of property, plant and equipment             |       | -                    | -                    |
| <b>CASH (UTILISED IN) GENERATED FROM INVESTING ACTIVITIES</b>     |       | <b>(166 270 080)</b> | <b>(108 158 195)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |       |                      |                      |
| New loans raised/(repaid)   |       | (96 478)             | 997 617              |
| <b>Net cash generated from/(utilised in) financing activities</b> |       | <b>(96 478)</b>      | <b>997 617</b>       |
| <b>NET INCREASE (DECREASE) IN CASH EQUIVALENTS</b>                |       | <b>(9 498 046)</b>   | <b>3 357 933</b>     |
| <b>Cash and cash equivalents</b>                                  |       |                      |                      |
| Cash and cash equivalents at the beginning of the year            | 19    | (1 324 776)          | (4 682 709)          |
| Cash and cash equivalents at the end of the year                  | 19    | (10 822 822)         | (1 324 776)          |
|   |       | (9 498 046)          | 3 357 933            |

## Accounting Policies

for the year ended 30 June 2011

|            |  |
|------------|--|
| <b>1</b>   | <b>BASIS OF PRESENTATION</b>   |
|            | The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.  |
|            | The Annual Financial Statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of <i>Government Gazette number 31021, Notice Number 516</i> , dated 9 May 2008, and also in terms of the standards and principles contained in the applicable directives issued by the Accounting Standards Board. |
|            | The accounting framework of the Municipality, based on the preceding paragraphs, is therefore as follows:  |
|            | GRAP 1 – Presentation of financial statements  |
|            | GRAP 2 – Cash flow statements  |
|            | GRAP 3 – Accounting policies, changes in accounting estimates and errors   |
|            | GRAP 4 – Effects of changes in foreign exchange rates  |
|            | GRAP 5 – Borrowing costs   |
|            | GRAP 6 – Consolidated and separate financial statements  |
|            | GRAP 7 – Investments in associates   |
|            | GRAP 8 – Interests in joint ventures   |
|            | GRAP 9 – Revenue from exchange transactions  |
|            | GRAP 10 – Financial reporting in hyperinflationary economies   |
|            | GRAP 11 – Construction contracts   |
|            | GRAP 12 – Inventories  |
|            | GRAP 13 – Leases   |
|            | GRAP 14 – Events after the reporting date  |
|            | GRAP 16 – Investment property  |
|            | GRAP 17 – Property, plant and equipment  |
|            | GRAP 18 – Segment reporting  |
|            | GRAP 19 – Provisions, contingent liabilities and contingent assets   |
|            | GAMAP 9 – Paragraphs relating to revenue from non-exchange transactions  |
|            | GRAP 100 – Non-current assets held for sale and discontinued operations  |
|            | GRAP 101 – Agriculture   |
|            | GRAP 102 – Intangible assets   |
|            | IPSAS 20 – Related party disclosure  |
|            | IPSAS 21 – Impairment of non cash-generating assets  |
|            | IFRS 3 – Business combinations   |
|            | IFRS 7 – Financial instruments: disclosures  |
|            | IAS 19 – Employee benefits   |
|            | IAS 32 – Financial instruments: presentation   |
|            | IAS 36 – Impairment of assets  |
|            | IAS 39 – Financial instruments: recognition and measurement  |
| <b>1.1</b> | <b>Changes in accounting policy and comparability</b>  |
|            | Accounting policies have been consistently applied, except where otherwise indicated below:  |
|            | For the year ended 30 June 2011, the Municipality has adopted the accounting framework as set out in point 1 above, except as excluded by the applicable directives. The details of any resulting changes in accounting policy and comparative restatements are set out over the page.   |

|            |  |
|------------|--|
|            | The Municipality changes an accounting policy only if the change:  |
|            | (a) is required by a standard of GRAP; or  |
|            | (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions, on the performance or cash flow.   |
| <b>2</b>   | <b>PRESENTATION OF CURRENCY</b>  |
|            | The Annual Financial Statements are presented in South African Rands, rounded off to the nearest Rand, which is the Municipality's functional currency.  |
| <b>3</b>   | <b>GOING CONCERN ASSUMPTION</b>  |
|            | The Annual Financial Statements are prepared on a going concern basis.   |
| <b>4</b>   | <b>HOUSING DEVELOPMENT FUND</b>  |
|            | The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.   |
|            | In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area.  |
| <b>5</b>   | <b>PROPERTY, PLANT AND EQUIPMENT</b>   |
|            | The Municipality has complied with the relevant standards relating to the measurement and recognition of Property, Plant and Equipment after taking into consideration the various guidance's and best practices issued in relation to the above.  |
| <b>5.1</b> | <b>Initial measurement</b>   |
|            | Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.   |
|            | The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and if the cost or fair value of the item can be measured reliably.  |
|            | Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located. |
|            | When significant components of an item of property, plant and equipment have different useful lives at the description of management, they are accounted for as separate items (major components) of property, plant and equipment.  |
|            | Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.   |
|            | The cost of an item of property, plant and equipment acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.   |
|            | Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.   |

## Accounting Policies

for the year ended 30 June 2011 (continued)

| <b>5.2</b>                         | <b>Subsequent measurement</b>   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|------------------------------------|---|-----------------------|--------------|------------------|----|------------------|----|-------------|---------|---------|----|------------------|--|-----------|----|-------------------------|---------|----------|---|--------------|--|-----------|----|---------------------|----|----------------|---|------------------|---|------------------------|--------|------------|----|---------------------|---|---------------------------------|---------|------------------------------------|-------|----------------|----|
|                                    | Subsequent expenditure relating to property, plant and equipment is capitalized if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalized when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognizes the part of the asset being replaced and capitalizes the new component.  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | When revalued assets, if any are sold or retired, the amounts included in the revaluation reserve in respect of those assets, are transferred to accumulated surplus or deficit except on initial recognition of GRAP 17.   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | Compensation from third parties for items of property, plant and equipment that were impaired, lost or forgone is included in surplus or deficit when the compensation becomes receivable.  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| <b>5.3</b>                         | <b>Depreciation</b>   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | Land is not depreciated as it is regarded as having an infinite life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | Depreciation only commences when the asset is available for use, unless stated otherwise.   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | <table> <tr> <th><b>Infrastructure</b></th><th><b>Years</b></th></tr> <tr> <td>Roads and paving</td><td>30</td></tr> <tr> <td>Pedestrian malls</td><td>30</td></tr> <tr> <td>Electricity</td><td>20 – 30</td></tr> <tr> <td>Housing</td><td>30</td></tr> <tr> <td><b>Community</b></td><td></td></tr> <tr> <td>Buildings</td><td>30</td></tr> <tr> <td>Recreational facilities</td><td>20 – 30</td></tr> <tr> <td>Security</td><td>5</td></tr> <tr> <td><b>Other</b></td><td></td></tr> <tr> <td>Buildings</td><td>30</td></tr> <tr> <td>Specialist vehicles</td><td>10</td></tr> <tr> <td>Other vehicles</td><td>5</td></tr> <tr> <td>Office equipment</td><td>3</td></tr> <tr> <td>Furniture and fittings</td><td>7 – 10</td></tr> <tr> <td>Watercraft</td><td>15</td></tr> <tr> <td>Bins and containers</td><td>5</td></tr> <tr> <td>Specialized plant and equipment</td><td>10 – 15</td></tr> <tr> <td>Other items of plant and equipment</td><td>2 – 5</td></tr> <tr> <td>Landfill sites</td><td>15</td></tr> </table> | <b>Infrastructure</b> | <b>Years</b> | Roads and paving | 30 | Pedestrian malls | 30 | Electricity | 20 – 30 | Housing | 30 | <b>Community</b> |  | Buildings | 30 | Recreational facilities | 20 – 30 | Security | 5 | <b>Other</b> |  | Buildings | 30 | Specialist vehicles | 10 | Other vehicles | 5 | Office equipment | 3 | Furniture and fittings | 7 – 10 | Watercraft | 15 | Bins and containers | 5 | Specialized plant and equipment | 10 – 15 | Other items of plant and equipment | 2 – 5 | Landfill sites | 15 |
| <b>Infrastructure</b>              | <b>Years</b>  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Roads and paving                   | 30  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Pedestrian malls                   | 30  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Electricity                        | 20 – 30   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Housing                            | 30  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| <b>Community</b>                   |   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Buildings                          | 30  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Recreational facilities            | 20 – 30   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Security                           | 5   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| <b>Other</b>                       |   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Buildings                          | 30  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Specialist vehicles                | 10  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Other vehicles                     | 5   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Office equipment                   | 3   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Furniture and fittings             | 7 – 10  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Watercraft                         | 15  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Bins and containers                | 5   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Specialized plant and equipment    | 10 – 15   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Other items of plant and equipment | 2 – 5   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| Landfill sites                     | 15  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| <b>5.4</b>                         | <b>Work in Progress</b>   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
| <b>5.5</b>                         | <b>Infrastructure Assets</b>  |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |
|                                    | Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality.   |                       |              |                  |    |                  |    |             |         |         |    |                  |  |           |    |                         |         |          |   |              |  |           |    |                     |    |                |   |                  |   |                        |        |            |    |                     |   |                                 |         |                                    |       |                |    |



|             |  |
|-------------|--|
| <b>6</b>    | <b>INVENTORIES</b>   |
| <b>6.1</b>  | <b>Initial recognition</b>   |
|             | Inventories comprise of consumable stores. Inventories are recognized at weighted average. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.   |
|             | Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.  |
| <b>7</b>    | <b>ACCOUNTS RECEIVABLE</b>   |
|             | Accounts receivable are stated in the annual financial statements at the value of billings to consumers/ ratepayers, less deductions for rebates granted less a provision for doubtful accounts.   |
|             | Provision for doubtful accounts is made, based on a review of outstanding amounts at the financial year end. Contributions to the provision are calculated by analyzing specific debts deemed doubtful of recovery, prior year's experience, correspondence with the Council's attorneys, the debt collection policy and management's best estimate of recoveries expressed as a percentage.   |
|             | Bad debts are written off in the period that they are identified. Amounts that are receivable within one year are classified as current assets.  |
| <b>8</b>    | <b>ACCOUNTS PAYABLE</b>  |
|             | Accounts payable are stated in the annual financial statements at the amounts due to trade and other creditors for goods or services received.   |
| <b>9</b>    | <b>REVENUE RECOGNITION</b>   |
| <b>9.1</b>  | <b>General</b>   |
|             | Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities.   |
|             | The municipality recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. |
|             | Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.   |
| <b>10</b>   | <b>REVENUE FROM EXCHANGE TRANSACTIONS</b>  |
| <b>10.1</b> | <b>Service Charges</b>   |
|             | Service charges relating to refuse removal are recognized on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.   |
| <b>10.2</b> | <b>Finance income</b>  |
|             | Interest earned on investments is recognized in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.  |
| <b>10.3</b> | <b>Tariff charges</b>  |
|             | Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant authorized tariff. This includes the issuing of licenses and permits.  |
| <b>11</b>   | <b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>  |
| <b>11.1</b> | <b>Rates and Taxes</b>   |
|             | Revenue from property rates is recognized in terms of the Municipal Property Rates Act and the Municipal Rates Policy.   |

## Accounting Policies

for the year ended 30 June 2011 (continued)

|             |  |
|-------------|--|
| <b>11.2</b> | <b>Other donations and contributions</b>   |
|             | Donations are recognised on a cash receipts basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.   |
| <b>12</b>   | <b>GOVERNMENT GRANTS AND RECEIPTS</b>  |
|             | Income received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Municipality with no future related costs, are recognised in the Statement of Financial Performance in the period in which they become receivable. |
|             | The Municipality accounted for government grants and receipts in the previous financial year in accordance with the requirements of IAS 20.24 and .26, GAMAP 12.8, GAMAP 17.25 and GAMAP 9.42 – .46, as appropriate. For the financial year ended 30 June 2011, the Municipality accounted for government grants and receipts for the year ended 30 June 2011 (and retrospectively, where practicable) in accordance with the requirements of GAMAP 9.42 – .46 and ASB Directives 3 and 5.   |
| <b>13</b>   | <b>PROVISIONS</b>  |
|             | Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.   |
|             | Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses.   |
|             | A provision for restructuring costs is recognised only when the following criteria, over and above the recognition criteria of a provision, have been met:   |
|             | (a) The Municipality has a detailed formal plan for the restructuring, identifying at least:   |
|             | - the business or part of a business concerned;  |
|             | - the principal locations affected;  |
|             | - the location, function, and approximate number of employees who will be compensated for terminating their services;  |
|             | - the expenditures that will be undertaken;  |
|             | - when the plan will be implemented; and   |
|             | (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.   |
| <b>14</b>   | <b>CASH AND CASH EQUIVALENTS</b>   |
|             | Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value, unless the purpose and nature of such investments are for capital appreciation purposes and not held for operational activities as deemed by management.  |
| <b>15</b>   | <b>UNAUTHORISED EXPENDITURE</b>  |
|             | Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003).  |
| <b>16</b>   | <b>IRREGULAR EXPENDITURE</b>   |
|             | Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies as deemed by the Accounting Officer. Irregular expenditure excludes unauthorised expenditure.   |

|           |   |
|-----------|---|
| <b>17</b> | <b>FRUITLESS AND WASTEFUL EXPENDITURE</b>   |
|           | Fruitless and wasteful expenditure is expenditure that was made in vain as deemed by the Accounting Officer and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance.   |
| <b>18</b> | <b>RETIREMENT BENEFITS</b>  |
|           | The Municipality provides retirement benefits for its employees. Contributions are made to the Natal Joint Municipal Pension Fund to fund the obligations for the payment of retirement benefits.   |
|           | The Municipality provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits are conditional on the employee remaining in service up to retirement age.   |
| <b>19</b> | <b>DEPOSITS</b>   |
|           | Deposits received by the Municipality are in terms of the approved tariff of charges by Council. These mainly relate to the use of community facilities and verge deposits, among others.   |
| <b>20</b> | <b>LEASES</b>   |
|           | Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment subject to finance lease agreements, are capitalised at their cash cost equivalent. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. |
|           | Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the Statement of Financial Performance.  |
| <b>21</b> | <b>PRIOR YEAR COMPARATIVES</b>  |
|           | Prior period comparatives are reclassified when the presentation or classification of items in the Annual Financial Statements is amended.  |
| <b>22</b> | <b>VALUE ADDED TAXATION</b>   |
|           | The Municipality accounts for value-added taxation on a cash basis, while the Annual Financial Statements are prepared on the accrual basis of accounting.  |
| <b>23</b> | <b>EVENTS AFTER THE REPORTING DATE</b>  |
|           | Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date, have been disclosed in the notes to the Annual Financial Statements.  |
| <b>24</b> | <b>RELATED PARTIES</b>  |
|           | Individuals as well as their close family members, and/or entities, are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.   |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011

|   | 2011               | 2010               |
|---|--------------------|--------------------|
|   | R                  | R                  |
| <b>1 ACCUMULATED SURPLUS</b>  |                    |                    |
| The following internal funds and reserves are ring-fenced within the accumulated surplus: |                    |                    |
| - Government Grant Reserve  | 325 466 194        | 174 184 940        |
| - Accumulated surplus due to the results of operations                                    | 98 069 603         | 89 449 568         |
| <b>Total accumulated surplus</b>  | <b>423 535 797</b> | <b>263 634 508</b> |

The following illustrates the detail on the movement of internal funds and reserves during the financial period:

|  | Government Grant Reserve | Accumulated surplus/ (deficit) due to results of operations | Total accumulated surplus/ (deficit) |
|--|--------------------------|---|--------------------------------------|
|  | R                        | R   | R                                    |
| <b>2008</b>  |                          |   |                                      |
| <b>Balance at 1 July 2009</b>                                | <b>90 517 342</b>        | <b>47 707 395</b>   | <b>138 224 737</b>                   |
| Surplus for the year   | -                        | 112 172 798   | 112 172 798                          |
| Transfer of capital grant assets to Government Grant Reserve | 88 799 530               | (88 799 530 )   | -                                    |
| Prior year adjustments                                       | -                        | 13 236 973  | 13 236 973                           |
| Offsetting of Depreciation                                   | (5 131 932)              | 5 131 932   | -                                    |
| <b>Balance at 30 June 2010</b>                               | <b>174 184 940</b>       | <b>89 449 568</b>   | <b>263 634 508</b>                   |
| <b>2009</b>  |                          |   |                                      |
| <b>Balance at 01 July 2010</b>                               | <b>174 184 940</b>       | <b>89 449 568</b>   | <b>263 634 508</b>                   |
| Surplus for the year   |                          | 153 828 760   | 153 828 760                          |
| Transfer of capital grant assets to Government Grant Reserve | 157 056 027              | (157 056 027)   | -                                    |
| Offsetting of depreciation                                   | (5 774 773)              | 5 774 773   | -                                    |
| Revaluation of assets  |                          | 6 799 206   | 6 799 206                            |
| Prior year adjustments                                       |                          | (726 676)   | (726 676)                            |
| <b>Balance at 30 June 2011</b>                               | <b>325 466 194</b>       | <b>98 069 603</b>   | <b>423 535 797</b>                   |



|   | 2011              | 2010              |
|---|-------------------|-------------------|
|   | R                 | R                 |
| <b>2 HOUSING DEVELOPMENT FUND</b>   |                   |                   |
| The Housing Development Fund contains all proceeds from housing developments, which include rental income and sales of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing. |                   |                   |
| Housing Development Fund  | 25 779 997        | 31 623 553        |
| The Housing Development Fund is represented by the following assets and liabilities:  |                   |                   |
| – Housing fixed assets  | 8 777 117         | 13 338 204        |
| – Housing rental receivables  | 8 815 248         | 8 878 329         |
| – Investments – external  | 7 768 565         | 9 148 858         |
| – Bank and cash   | 419 067           | 258 162           |
| <b>Total Housing Development Fund assets and liabilities</b>  | <b>25 779 997</b> | <b>31 623 553</b> |
| <b>3 LONG-TERM LIABILITIES</b>  |                   |                   |
| Long-term loans   | 2 089 694         | 2 089 694         |
| Annuity loans   | 592 562           | 689 040           |
| <b>Total external loans</b>   | <b>2 682 256</b>  | <b>2 778 734</b>  |
| LESS: Current portion transferred to current liabilities<br>(Refer to Appendix A for more detail)   | (1 734 916)       | (1 501 429)       |
| <b>Total long-term liabilities</b>  | <b>947 340</b>    | <b>1 277 305</b>  |
| <b>4 PROVISION FOR POST-RETIREMENT MEDICAL BENEFITS</b>   |                   |                   |
| Post-employment health care benefit liability   | 16 292 516        | 11 875 385        |
| <b>Total: Post-retirement medical aid benefit liability</b>   | <b>16 292 516</b> | <b>11 875 385</b> |
| Less: Transfer to current provisions  | (442 512)         | (357 468)         |
| <b>Net post-employment health care benefit liability</b>  | <b>15 850 004</b> | <b>11 517 917</b> |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011       | 2010       |
|---|------------|------------|
|   | R          | R          |
| The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee. |            |            |
| The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2011 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post-retirement benefits are provided by the Municipality.   |            |            |
| The Post-Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:  |            |            |
| – In-service members  | 170        | 134        |
| – Continuation members  | 22         | 20         |
| Total   | 192        | 154        |
| The liability in respect of past service has been estimated to be as follows:   |            |            |
| – In-service members  | 10 765 746 | 7 630 733  |
| – Continuation members  | 5 526 767  | 4 244 652  |
|   | 16 292 513 | 11 875 385 |
| The Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:   |            |            |
| – Bonitas   |            |            |
| – Global Health   |            |            |
| – LA Health   |            |            |
| – Samwumed  |            |            |
| The future service cost for the ensuing year is established to be R 1 118 322 whereas the interest-cost for the next year is estimated to be R 1 396 862 (2010: R 649 465 and R 1 078 459 respectively)   |            |            |
| <b>The principal assumptions used for the purposes of the actuarial valuations were as follows:</b>   |            |            |
| Discount rate   | 8,69       | 9,22       |
| Health care cost inflation rate   | 7,31       | 7,22       |
| Net effective discount rate   | 1,29       | 1,87       |
| Expected retirement age – females   | 55         | 55         |
| Expected retirement age – males   | 55         | 55         |
| <b>The amounts recognised in the Statement of Financial Position are as follows:</b>  |            |            |

|   | 2011       | 2010       |
|---|------------|------------|
|   | R          | R          |
| Present value of fund obligations   | 16 292 516 | 11 875 385 |
| Fair value of plan assets   | -          | -          |
| <b>Benefit liability</b>  | 16 292 516 | 11 875 385 |
| The amount recognised in the Statement of Financial Performance under employee-related costs are as follows:                                    |            |            |
| Current service cost  | 649 465    | 373 244    |
| Interest cost   | 1 078 459  | 730 496    |
| Actuarial (gain)/loss recognised  | 3 102 071  | 2 961 929  |
|   | 4 829 995  | 4 065 669  |
| <b>The movement in the defined benefit obligation over the year is as follows:</b>  |            |            |
| Balance at beginning of year  | 11 875 385 | 8 154 790  |
| Current service cost  | 649 465    | 373 244    |
| Interest cost   | 1 078 459  | 730 496    |
| Benefits paid   | (412 864)  | (345 073)  |
| Recognised actuarial (gain)/loss  | 3 102 071  | 2 961 928  |
| <b>Balance at end of year</b>   | 16 292 516 | 11 875 385 |
| The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:  |            |            |
| <b>Increase</b>   |            |            |
| Effect on the aggregate of the current service cost and the interest cost   | 1 218 000  | 1 292 600  |
| Effect on the defined benefit obligation  | 12 668 000 | 8 832 000  |
| <b>Decrease</b>   |            |            |
| Effect on the aggregate of the current service cost and the interest cost   | 961 500    | 951 100    |
| Effect on the defined benefit obligation  | 9 265 000  | 6 642 000  |
| The Municipality expects to make a contribution of R 1 396 862 (2010: R 1 078 459) to the defined benefit plans during the next financial year. |            |            |
| <b>The history of experienced adjustments are as follows:</b>   |            |            |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011       | 2010       | 2009      | 2008      |
|---|------------|------------|-----------|-----------|
|   | R          | R          | R         | R         |
| Present value of defined benefit obligation | 16 293 000 | 11 875 000 | 8 155 000 | 9 957 000 |
| Deficit                                     | 16 293 000 | 11 875 000 | 8 155 000 | 9 957 000 |
| Experienced adjustments on plan liabilities | -          | -          | -         | -         |

|   |                |                |
|---|----------------|----------------|
| <b>5 LONG SERVICE AWARDS AND RETIREMENT GIFTS</b>   |                |                |
| Provision for long service awards   | 1 092 938      | 1 067 873      |
| Total provision for long service awards   | 1 092 938      | 1 067 873      |
| Less: Transfer to current provisions  | (191 432)      | (204 832)      |
| <b>Net long service awards liability</b>  | <b>901 506</b> | <b>863 041</b> |
| <p>A long-service award is granted to Municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Umdoni Municipality). The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2011 may become entitled to in future, based on an actuarial valuation performed at that date.</p> |                |                |
| <p>The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2011 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other long service benefits are provided by the Municipality.</p>   |                |                |
| <p>The Long Service Awards plans are defined benefit plans. As at year end, 376 employees were eligible for Long Service Awards.</p>  |                |                |
| <p>The future service cost for the ensuing year is estimated to be R 174 871 whereas the interest-cost for the next year is estimated to be R 76 481</p>  |                |                |
| <b>The principal assumptions used for the purposes of the actuarial valuations were as follows:</b>   |                |                |
| Discount rate   | 7,66%          | 8,68%          |
| Expected rate of salary increase  | 6,24%          | 6,06%          |
| Net effective discount rate   | 1,33%          | 2,48%          |
| <b>The amounts recognised in the Statement of Financial Position are as follows:</b>  |                |                |



|  | 2011      | 2010      |
|--|-----------|-----------|
|  | R         | R         |
| Present value of fund obligations  | 1 092 938 | 1 067 873 |
|  |           |           |
| Net liability  | 1 092 938 | 1 067 873 |
|  |           |           |
| The amount recognised in the Statement of Financial Performance under employee-related costs are as follows: |           |           |
|  |           |           |
| Current service cost   | 159 321   | 157 437   |
| Interest cost  | 84 033    | 66 013    |
| Actuarial loss/gain  | (13 457)  | 194 197   |
|  |           |           |
| Total included in employee-related costs   | 229 897   | 417 647   |
|  |           |           |
| The movement in the defined benefit obligation over the year is as follows:                                  |           |           |
|  |           |           |
| Balance at beginning of year   | 1 067 873 | 855 567   |
| Current service cost   | 159 321   | 157 437   |
| Interest cost  | 84 033    | 66 013    |
| Benefits paid  | (204 832) | (205 341) |
| Actuarial (gain)/losses recognised   | (13 547)  | 194 197   |
|  |           |           |
| Balance at end of year   | 1 092 848 | 1 067 873 |
|  |           |           |
| The effect of a 1% movement in the assumed rate of salary inflation is as follows:                           |           |           |
| Increase   |           |           |
| Effect on the aggregate of the current service cost and the interest cost                                    | 256 642   | 234 808   |
| Effect on the defined benefit obligation   | 1 153 000 | 1 122 000 |
|  |           |           |
| Decrease   |           |           |
| Effect on the aggregate of the current service cost and the interest cost                                    | 231 204   | 213 143   |
| Effect on the defined benefit obligation   | 1 038 000 | 1 018 000 |
|  |           |           |
|  |           |           |
| The history of experienced adjustments are as follows:   |           |           |
|  |           |           |
|  |           |           |
|  |           |           |
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## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|  | 2011      | 2010      |
|--|-----------|-----------|
|  | R         | R         |
| <b>6 REFUSE SITE REHABILITATION</b>  |           |           |
| In terms of the licencing of the landfill refuse sites, Council will incur rehabilitation costs of R 2,4 million determined at present value, to restore the sites. Provision has been made for an amount based on the present value of cost.  |           |           |
| The costs of rehabilitating the refuse site have been estimated by the Council's consulting engineers who control the operations carried out by the service provider. Council has to submit a rehabilitation plan to the Department of Water Affairs and Forestry six months prior to closing the site.                  |           |           |
| Opening balance  | 2 804 850 | 2 449 500 |
| Contribution to the Statement of Financial Performance   | (312 800) | 355 350   |
| Closing balance  | 2 492 050 | 2 804 850 |
| <b>7 MULTI EMPLOYER RETIREMENT BENEFITS</b>  |           |           |
| Umdoni Municipality makes provision for post-retirement benefits to eligible Councillors and employees, who belong to different pension schemes.   |           |           |
| All full-time employees belong to the KwaZulu-Natal Joint Municipal Pension Fund, which is made up by the retirement, superannuation and provident funds. Councillors have the option to belong to the Pension Fund for Municipal Councillors.   |           |           |
| These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.   |           |           |
| All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.   |           |           |
| Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:  |           |           |
| (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.   |           |           |
| (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.  |           |           |
| (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.   |           |           |
| It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.   |           |           |
| The only obligation of the Municipality with respect to the retirement benefit plans is to make the specified contributions. Where Councillors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the Municipality are reduced by the amount of forfeited contributions. |           |           |

|   | 2011 | 2010 |
|---|------|------|
|   | R    | R    |
| The total expense recognised in the Statement of Financial Performance for the pension fund of R 27,3 million (2010: R 15,9 million) represents contributions payable to these plans by the Municipality at rates specified in the rules of the plans. These contributions have been expensed.  |      |      |
| The retirement funds have been valued by making use of the Discounted Cash Flow Method of Valuation. For both the superannuation and retirement funds, valuations making use of the Discontinuance Method Approach have been included as well.  |      |      |
| <b>DEFINED BENEFIT SCHEMES</b>  |      |      |
| <b>Retirement fund:</b>   |      |      |
| The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 31 March 2010.  |      |      |
| The interim actuarial valuation performed as at 31 March 2010 revealed that the fund had a shortfall of R 243,2 (31 March 2009: shortfall of R 214,2) million, with a funding level of 88,2% (31 March 2009: 88,6%). The contribution rate, including the surcharges below, paid by the members (8,65%) and municipalities (29%) should be sufficient to eradicate the shortfall in the fund by 31 March 2015.  |      |      |
| The actuarial shortfall is taken into account by determining surcharges, to be met by increased contributions. These surcharges amount to 17% of pensionable emoluments, of which 1,65% is payable by members and 15,35% is payable by the local authority.   |      |      |
| This surcharge is payable until 31 March 2015. This position will be monitored on an annual basis.  |      |      |
| The fund has effectively been closed to new members, and it is therefore assumed for the valuation, that no new members will join the fund. However, at present, members of the three Natal Joint Funds are permitted to transfer between the funds and this flow of members may affect the rate of contribution required to be paid to the fund.   |      |      |
| <b>Superannuation fund:</b>   |      |      |
| The scheme is subject to a tri-annual actuarial valuation. The last interim actuarial valuation was performed as at 31 March 2010.  |      |      |
| The interim actuarial valuation performed as at 31 March 2010 revealed that the fund had a shortfall of R 213,3 (31 March 2009: shortfall of R 29,9 million), with a funding level of 95,9% (31 March 2009: 99,4%). The contribution rate paid by the members (9,25%) and municipalities (18%) is 1,69% (31 March 2009: 1,5%) less than the required contribution rate for future service and will be reviewed at the next interim valuation. The deficit in respect of active members is being met by a surcharge of 7% of pensionable salaries. It is expected that the deficit will be fully funded by 2016. |      |      |
| <b>DEFINED CONTRIBUTION SCHEMES</b>   |      |      |
| <b>Municipal Councillors Pension Fund:</b>  |      |      |
| The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2010.  |      |      |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011              | 2010              |
|---|-------------------|-------------------|
|   | R                 | R                 |
| The statutory valuation performed as at 30 June 2010 revealed that the contribution rate paid by the members (13,75%) and Council (15%) is sufficient to fund the benefits accruing from the fund in the future.  |                   |                   |
| As reported by the actuaries, the Fund was in a sound financial condition as at 30 June 2010.   |                   |                   |
| <b>Provident fund:</b>  |                   |                   |
| The scheme is subject to a tri-annual actuarial valuation. The last interim actuarial valuation was performed as at 31 March 2010.  |                   |                   |
| The interim actuarial valuation performed as at 31 March 2010 revealed that the market value of the fund was R 836,4 (31 March 2009: R 574 million). The contribution rate payable (either 5%, 7% or 9,25% by the member and 1,95 times the member's contributions by the employer), is sufficient to cover the cost of benefits and expenses, and the fund was certified to be in sound financial condition as at 31 March 2010.   |                   |                   |
| None of the above-mentioned plans are State plans.  |                   |                   |
| <b>8 ACCOUNTS PAYABLE</b>   |                   |                   |
| Trade creditors   | 9 201 028         | 11 421 522        |
| Deposits  | 1 279 371         | 1 176 432         |
| Payments received in advance  | 3 689 088         | 2 333 657         |
| External loans interest – Pennington  | -                 | 90 599            |
| Retention monies  | 15 931 867        | 9 772 292         |
| Unidentified direct deposits  | 797 804           | 320 095           |
| <b>Total accounts payable</b>   | <b>30 899 158</b> | <b>25 114 597</b> |
| The average credit period on purchases is 30 days from the receipt of the invoice (as determined by the MFMA). No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter, interest is charged in accordance with the credit policies of the various individual creditors that the Municipality deals with. The Municipality has financial policies in place to ensure that all payables are paid within the credit timeframe.  |                   |                   |
| Deposits are paid by members of the community on application for the hire of community halls and facilities, as stipulated in the tariff of charges. The deposits are repaid when the use of the community halls/facilities are completed, and an inspection has been executed to ensure that the facilities hired have been restored to their original condition, and no damage to property has occurred. In cases where the condition of the facilities have not been restored to its original condition or damage to the property is evident, Council can utilise the deposit as payment to rectify the facilities to its original condition or to restore any damage to the property. |                   |                   |
| No interest is paid on consumer deposits held.  |                   |                   |



|   | 2011               | 2010               |
|---|--------------------|--------------------|
|   | R                  | R                  |
| Retention refers to monies retained by the Municipality on construction work completed by the various suppliers throughout the duration of their contract. These monies are released to the suppliers upon progressive completion of their respective undertakings. |                    |                    |
| <b>9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>  |                    |                    |
| <i>Conditional grants from other spheres of Government:</i>   |                    |                    |
| Provincial grants   | 2 576 684          | 1 681 899          |
| Ugu District Municipality   | 410 259            | 842 311            |
| National Treasury   | 111 093 065        | 253 580 508        |
| European Union funding  | -                  | 207 357            |
| Other grants  | 86 615             | 254 324            |
| <b>Total conditional grants from other spheres of Government</b>  | <b>114 166 623</b> | <b>256 566 399</b> |
| <b>10 OPERATING LEASES</b>  |                    |                    |
| <b><u>The Municipality as lessee</u></b>  |                    |                    |
| <b>Leasing arrangements:</b>  |                    |                    |
| At the reporting date, the Municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:  |                    |                    |
| Up to one year  | 279 467            | 394 585            |
| 1 to five years   | 159 106            | 182 360            |
| More than five years  | 4 789              | 110                |
| <b>Total operating lease arrangements</b>   | <b>443 362</b>     | <b>577 055</b>     |
| Included in the above-mentioned operating lease payments are the following major classes of leases, which are only significant collectively:  |                    |                    |
| – Electronic equipment  | 175 848            | 490 190            |
| – Vehicles  | 244 888            | 74 427             |
| – Properties  | 22 626             | 12 438             |
|   | 443 362            | 577 055            |
| <b><u>The Municipality as lessor</u></b>  |                    |                    |
| <b>Leasing arrangements:</b>  |                    |                    |
| At the reporting date, the Municipality had outstanding receipts in terms of operating leases, which will accrue as follows:  |                    |                    |
| Receivable within one year  | 2 079 906          | 1 911 899          |
| Receivable within two-five years  | 2 359 360          | 3 030 736          |
| Receivable after five years   | 130 880            | 169 667            |
| <b>Total operating lease arrangements</b>   | <b>4 570 146</b>   | <b>5 112 302</b>   |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011           | 2010           |
|---|----------------|----------------|
|   | R              | R              |
| Included in the above-mentioned operating lease receivables are the following major classes of leases, which are only significant collectively:   |                |                |
| – Land  | 4 570 146      | 5 112 302      |
|   | 4 570 146      | 5 112 302      |
| <b>11 PROPERTY, PLANT AND EQUIPMENT</b>   |                |                |
| No property, plant and equipment have been pledged to secure borrowings of the Municipality.  |                |                |
| Assets with R 0 carrying value still in use, however, have been re-evaluated in terms of GRAP 17. Details of this effect is reflected in note 43.   |                |                |
| See also note 43 for further detail.  |                |                |
| <b>12 INVESTMENT PROPERTY</b>   |                |                |
| The Municipality has adopted the transitional arrangements as set out in Directive 4, released by the Accounting Standards Board in February 2008. This involves the recognition of all assets under the ownership of the Municipality, but not necessarily the measurement of such assets. |                |                |
| Analysis of investment property is as follows:  |                |                |
| <b>Reconciliation of carrying value</b>   |                |                |
| <b>Carrying values at 1 July 2010</b>   | <b>197 000</b> | <b>197 000</b> |
| Cost/revaluation  | 197 000        | 197 000        |
| Cost  | 197 000        | 197 000        |
| Revaluation   | -              | -              |
| Prior year adjustments  | -              | -              |
| Acquisitions  | -              | -              |
| Increases/(decreases) in revaluation  | -              | -              |
| Carrying value of disposals   | -              | -              |
| Cost/revaluation  | -              | -              |
| Impairment losses   | -              | -              |
| Other movements   | -              | -              |
| <b>Carrying values at 30 June 2011</b>  | <b>197 000</b> | <b>197 000</b> |
| Represented by  |                |                |
| Cost/revaluation  | 197 000        | 197 000        |
| <b>Carrying values at 30 June 2010</b>  | <b>197 000</b> | <b>197 000</b> |

|   | 2011               | 2010               |
|---|--------------------|--------------------|
|   | R                  | R                  |
| <b>13 PROVISION FOR STAFF LEAVE</b>             |                    |                    |
| Balance at beginning of the year                | 4 009 835          | 3 295 530          |
| Contributions (decrease) to provision           | 1 356 870          | 1 081 843          |
| Actual leave paid for the year                  | (467 164)          | (367 538)          |
| <b>Balance at end of year</b>                   | <b>4 899 541</b>   | <b>4 009 835</b>   |
| <b>14 INVESTMENTS</b>                           |                    |                    |
| <i>Council's unlisted investments</i>           |                    |                    |
| Long-term deposits with Standard Bank of SA Ltd | -                  | -                  |
| <b>Total long-term investments</b>              | <b>-</b>           | <b>-</b>           |
| <i>Short-term investments</i>                   |                    |                    |
| Notice deposits                                 | 169 060 487        | 302 613 221        |
| Standard Bank of SA Ltd                         | 15 877 505         | 171 734 865        |
| Absa  | 109 365 713        | 103 668 116        |
| Nedbank   | 30 645 765         | 14 732 374         |
| First National Bank                             | 13 170 317         | 12 476 746         |
| Investec Bank                                   | 1 187              | 1 120              |
| <b>Total short-term investments</b>             | <b>169 060 487</b> | <b>302 613 221</b> |
| <b>Total investments</b>                        | <b>169 060 487</b> | <b>302 613 221</b> |
| Council's valuation of unlisted investments     | 169 060 487        | 302 613 221        |
| Average rate of return on investments           | 5,67%              | 6,65%              |
| <b>15 INVENTORY</b>                             |                    |                    |
| Inventory represents:                           |                    |                    |
| Consumable stores                               | 74 907             | 36 312             |
|   | 74 907             | 36 312             |
| <b>16 CONSUMER RECEIVABLES</b>                  |                    |                    |
| <b>Revenue from non-exchange transactions</b>   |                    |                    |
| Rates   | 18 835 645         | 17 702 610         |
| Rates, penalties and collection charges         | 8 893 479          | 8 882 532          |
| Refuse  | 3 659 249          | 3 034 162          |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011              | 2010              |
|---|-------------------|-------------------|
|   | R                 | R                 |
| <b>Revenue from exchange transactions</b>     |                   |                   |
| Housing                                       | 5 484 299         | 5 703 090         |
| Interest on housing                           | 3 330 949         | 3 175 239         |
| Sundries                                      | 4 598 723         | 4 485 565         |
|   | 44 802 344        | 42 983 198        |
| Less: Provision for bad debt                  | (12 808 232)      | (13 196 840)      |
| Less: Provision for impairment loss           | (3 915 144)       | (3 915 144)       |
| <b>Total consumer receivables</b>             | <b>28 078 968</b> | <b>25 871 214</b> |
| Amounts written off as bad debts              | 164 163           | 2 100             |
| As a percentage of total operating revenue    | 0,06%             | 0,00%             |
| <b>Ageing of consumer debt as follows:</b>    |                   |                   |
| <b>Rates</b>                                  |                   |                   |
| Current (0 to 30 days)                        | 863 874           | 591 445           |
| 31 to 60 days                                 | 1 021 845         | 321 101           |
| 61 to 90 days                                 | 818 213           | 242 950           |
| 91 to 120 days                                | 775 293           | 221 590           |
| 121 days and over                             | 15 359 254        | 16 329 132        |
|   | <b>18 838 479</b> | <b>17 706 218</b> |
| <b>Rates penalties and collection charges</b> |                   |                   |
| Current (0 to 30 days)                        | 1 139             | 3 233             |
| 31 to 60 days                                 | -                 | 3 181             |
| 61 to 90 days                                 | 15 818            | 9 396             |
| 91 to 120 days                                | 21 450            | 10 840            |
| 121 days and over                             | 8 855 072         | 8 855 882         |
|   | <b>8 893 479</b>  | <b>8 882 532</b>  |
| <b>Housing</b>                                |                   |                   |
| Current (0 to 30 days)                        | 98 647            | 130 086           |
| 31 to 60 days                                 | 36 899            | 44 846            |
| 61 to 90 days                                 | 34 840            | 44 246            |
| 91 to 120 days                                | 33 726            | 44 628            |
| 121 days and over                             | 4 935 692         | 4 998 722         |
|   | <b>5 139 804</b>  | <b>5 262 528</b>  |
| <b>Interest on housing</b>                    |                   |                   |
| Current (0 to 30 days)                        | -                 | -                 |



|   | 2011              | 2010              |
|---|-------------------|-------------------|
|   | R                 | R                 |
| 31 to 60 days   | -                 | 440               |
| 61 to 90 days   | 691               | 876               |
| 91 to 120 days  | 976               | 1 317             |
| 121 days and over   | 3 329 282         | 3 172 606         |
|   | <b>3 330 949</b>  | <b>3 175 239</b>  |
| <b>Refuse</b>   |                   |                   |
| Current (0 to 30 days)  | 270 904           | 205 093           |
| 31 to 60 days   | 180 339           | 44 109            |
| 61 to 90 days   | 183 334           | 38 662            |
| 91 to 120 days  | 149 495           | 32 892            |
| 121 days and over   | 3 253 935         | 2 981 975         |
|   | <b>4 038 007</b>  | <b>3 302 731</b>  |
| <b>Sundries</b>   |                   |                   |
| Current (0 to 30 days)  | 2 972 078         | 2 351 614         |
| 31 to 60 days   | 39 558            | 28 105            |
| 61 to 90 days   | 19 847            | 59 977            |
| 91 to 120 days  | 53 993            | 264 850           |
| 121 days and over   | 2 097 283         | 2 318 721         |
|   | <b>5 182 759</b>  | <b>5 023 267</b>  |
| Total consumer ageing   | 45 423 477        | 43 352 515        |
| Less: Provision for bad debts   | (12 808 232)      | (13 196 840)      |
| Less: Provision for impairment loss   | (3 915 144)       | (3 915 144)       |
| Less: VAT included in age analysis  | (621 133)         | (369 317)         |
| <b>Total consumer receivables</b>   | <b>28 078 968</b> | <b>25 871 214</b> |
| <b>Reconciliation of provision for bad debts on consumer receivables</b>  |                   |                   |
| Balance at beginning of the year  | 13 196 840        | 9 279 835         |
| Contributions to provision  | (224 445)         | 2 340 366         |
| Transfer of clinic subsidy provision from other receivables   |                   | 1 817 000         |
| Write-offs against provision  | (164 163)         | (240 361)         |
| <b>Balance at end of year</b>   | <b>12 808 232</b> | <b>13 196 840</b> |
| Management has considered the effects of any impairment in the values of outstandings and the value of the provision for bad debts. The provision is adequate to account for any material losses expected to arise from any adjustments that are required to be made to outstanding debt. |                   |                   |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|  | 2011          | 2010          |
|--|---------------|---------------|
|  | R             | R             |
| <b>17 OTHER RECEIVABLES</b>  |               |               |
| Sundry receivables   | 97 508        | 54 993        |
| Ugu District Municipality  | 5 075 295     | 5 075 295     |
|  | 5 172 803     | 5 130 288     |
| Less: Provision for bad debt   | (5 117 952)   | (5 117 952)   |
| <b>Total other receivables</b>   | <b>54 851</b> | <b>12 336</b> |
| <b><i>Reconciliation of provision for bad debt on other receivables</i></b>  |               |               |
| Balance at beginning of the year   | 5 117 952     | 7 362 203     |
| Contributions (decrease) to provision  | -             | (348 986)     |
| Transfer of clinic subsidy provision to consumer receivables   | -             | (1 817 000)   |
| Bad debts written off against provision  | -             | (78 265)      |
| Balance at end of year   | 5 117 952     | 5 117 952     |
| Management have considered the effects of any impairment in the values of outstandings and the value of the provision for bad debts. The provision is adequate to account for any material losses expected to arise from any adjustments that are required to be made to outstandings receivables. |               |               |
| <b>18 VAT RECEIVABLE</b>   |               |               |
| VAT receivable   | 13 658 934    | 7 474 131     |
| VAT is payable on the cash basis. Only once payment has been received from receivables is VAT paid over to SARS.   |               |               |
| <b>19 BANK, CASH AND OVERDRAFT BALANCES</b>  |               |               |
| The Municipality has the following bank accounts:  |               |               |
| <b>The following primary bank account is maintained in terms of the local government: Municipal Finance Management Act:</b>  |               |               |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 279 168 8</u></b>  |               |               |
| <b><u>Current account:</u></b>   |               |               |
| Cash book balance at beginning of year   | (2 787 957)   | (4 843 558)   |
| Cash book balance at end of year   | (11 247 789)  | (2 787 957)   |
| Bank statement balance at beginning of year  | 3 926 445     | 2 710 117     |
| Bank statement balance at end of year  | 2 844 447     | 3 926 445     |

|  | 2011      | 2010      |
|--|-----------|-----------|
|  | R         | R         |
| <b>The following bank account is maintained in terms of the Local Government: Municipal Finance Management Act:</b>            |           |           |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 052 854 329</u></b>   |           |           |
| <b><u>Current account:</u></b>   |           |           |
| Cash book balance at beginning of year   | 1 199 120 | 0         |
| Cash book balance at end of year   | 0         | 1 199 120 |
| Bank statement balance at beginning of year  | 1 199 120 | 0         |
| Bank statement balance at end of year  | 0         | 1 199 120 |
| <b>The following housing bank accounts are maintained in terms of memorandums of agreement with the Department of Housing:</b> |           |           |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 285 257 1</u></b>  |           |           |
| <b><u>Malangeni Rural Housing Project K 03100018</u></b>   |           |           |
| Cash book balances at beginning of year  | 62 727    | 61 893    |
| Cash book balances at end of year  | 61 736    | 62 727    |
| Bank statement balances at beginning of year   | 62 727    | 61 893    |
| Bank statement balances at end of year   | 61 736    | 62 727    |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 285 256 3</u></b>  |           |           |
| <b><u>Amahlongwa Rural Housing Project K 03100017</u></b>  |           |           |
| Cash book balances at beginning of year  | 78 428    | 8 053     |
| Cash book balances at end of year  | 77 437    | 78 428    |
| Bank statement balances at beginning of year   | 78 428    | 8 053     |
| Bank statement balances at end of year   | 77 437    | 78 428    |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 279 625 6</u></b>  |           |           |
| <b><u>Umzinto Slum Clearance Housing Project K 031 00019</u></b>   |           |           |
| Cash book balances at beginning of year  | 25 809    | -24       |
| Cash book balances at end of year  | 190 237   | 25 809    |
| Bank statement balances at beginning of year   | 25 809    | -24       |
| Bank statement balances at end of year   | 190 209   | 25 809    |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 279 619 1</u></b>  |           |           |
| <b><u>Sanathan Housing Project K 0310002</u></b>   |           |           |
| Cash book balances at beginning of year  | 1 246     | 2 063     |
| Cash book balances at end of year  | 467       | 1 246     |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|  | 2011                 | 2010                 |
|--|----------------------|----------------------|
|  | R                    | R                    |
| Bank statement balances at beginning of year   | 1 246                | 2 063                |
| Bank statement balances at end of year   | 467                  | 1 246                |
| <b><u>Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 285 432 9</u></b>  |                      |                      |
| <b><u>Umdoni Municipality housing account</u></b>  |                      |                      |
| Cash book balances at beginning of year  | 89 952               | 82 964               |
| Cash book balances at end of year  | 89 190               | 89 952               |
| Bank statement balances at beginning of year   | 89 953               | 122 689              |
| Bank statement balances at end of year   | 90 881               | 89 953               |
| <b><u>Summary:</u></b>   |                      |                      |
| <b>Cash book balance at beginning of year</b>  | (1 330 675)          | (4 688 609)          |
| <b>Cash book balance at end of year</b>  | (10 828 722)         | (1 330 675)          |
| <b>Bank statement balance at beginning of year</b>   | 5 383 728            | 194 674              |
| <b>Bank statement balance at end of year</b>   | 3 203 441            | 5 383 728            |
| <b>CASH ON HAND:</b>   |                      |                      |
| Petty cash   | 1 000                | 1 000                |
| Floats   | 4 900                | 4 900                |
|  | <b>5 900</b>         | <b>5 900</b>         |
| <b>Total bank and cash</b>   | <b>(10 822 822)</b>  | <b>(1 324 775)</b>   |
| Umdoni Municipality has not applied any overdraft facility or securities held.<br>The credit as per the cash book balance is reflective of outstanding cheques<br>which have yet to be cleared as at 30 June 2011. |                      |                      |
| <b>20 PROPERTY RATES</b>   |                      |                      |
| <b>Actual income</b>   |                      |                      |
| Residential  | 36 857 123           | 34 842 077           |
| Agriculture  | 603 352              | 552 502              |
| Commercial and other   | 18 572 055           | 17 114 233           |
| Less: Adjustments  | (1 982 639)          | (2 351 358)          |
| Less: Rebates  | (5 483 216)          | (4 684 237)          |
| <b>Total assessment rates</b>  | <b>48 566 675</b>    | <b>45 473 217</b>    |
| <b>Property valuations</b>   | <b>7 373 301 000</b> | <b>7 419 315 000</b> |
| <b>Non-rateable valuations</b>   | <b>138 497 000</b>   | <b>129 691 000</b>   |



|  | 2011               | 2010               |
|--|--------------------|--------------------|
|  | R                  | R                  |
| The last general valuation for Umdoni came into effect on:                         | 1 July 2008        | 1 July 2008        |
| <b>Randages in terms of the Municipal Property Rates Act:</b>                      |                    |                    |
| Residential  | 0,007              | 0,0065             |
| Commercial, business and industrial  | 0,00937            | 0,0086             |
| Agricultural property, public service infrastructure, public benefit organisations | 0,00178            | 0,0017             |
| Vacant industrial, commercial and other  | 0,0196             | 0,0185             |
| <b>Rebates on these rates are allowed on the following basis:</b>                  |                    |                    |
| Special residential (excluding vacant land)  | 75 000             | 75 000             |
| Vacant property  | 15 000             | 15 000             |
| Disabled persons, pensioners, indigent persons as defined in the Indigent Policy   | 370 000            | 370 000            |
| <b>21 SERVICE CHARGES</b>  |                    |                    |
| Refuse removal   | 7 195 761          | 6 319 417          |
|  | <b>7 195 761</b>   | <b>6 319 417</b>   |
| <b>22 GOVERNMENT GRANTS AND SUBSIDIES</b>  |                    |                    |
| <b>Operational Grants:</b>   |                    |                    |
| Equitable share  | 20 802 997         | 17 093 771         |
| Provincial grants  | 505 578            | 5 271 829          |
| Provincial – health subsidies  | 1 783 706          | 1 782 942          |
| Ugu District Municipality  | 442 339            | 494 843            |
| Department of Provincial and Local Government                                      | 153 812            | 2 360 393          |
| National Treasury  | 159 156 445        | 103 416 947        |
| Old Mutual   | 167 710            | 342 414            |
| <b>Total Government grant and subsidies recognised</b>                             | <b>183 012 587</b> | <b>130 763 139</b> |
| <b>23 OTHER INCOME</b>   |                    |                    |
| Building plan fees   | 382 132            | 466 164            |
| Development levy   | 1 315 789          | 105 263            |
| Insurance recovery   | 138                | 820 891            |
| Inspections  | 108 120            | 135 252            |
| Fire services income   | 1 511 272          | 1 018 685          |
| Plot clearing  | 57 165             | 56 787             |
| Rates certificates   | 133 250            | 91 176             |
| Signage  | 167 377            | 130 890            |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|  | 2011             | 2010             |
|--|------------------|------------------|
|  | R                | R                |
| Non-refundable tender deposits   | 297 632          | 341 471          |
| Subdivisions, rezoning and town planning   | 25 570           | 50 578           |
| Sundry income  | 1 666 147        | 336 156          |
|  | <b>5 664 593</b> | <b>3 553 313</b> |
| <b>24 EMPLOYEE-RELATED COSTS</b>   |                  |                  |
| <b>Remuneration of the Municipal Manager</b>   |                  |                  |
| Annual remuneration  | 766 630          | 715 244          |
| Performance bonus  | 81 826           | 62 273           |
|  | <b>848 456</b>   | <b>777 517</b>   |
| <b>Remuneration of the Manager: Financial Services</b>   |                  |                  |
| Annual remuneration  | 592 722          | 539 049          |
| Performance bonus  | 53 365           | 34 115           |
|  | <b>646 087</b>   | <b>573 163</b>   |
| <b>Remuneration of the Manager: Technical Services</b>   |                  |                  |
| Annual remuneration  | 593 670          | 540 249          |
| Performance bonus  | 48 028           | 34 115           |
|  | <b>641 698</b>   | <b>574 363</b>   |
| <b>Remuneration of the Manager: Community Services</b>   |                  |                  |
| Annual remuneration  | 502 054          | 445 385          |
| Performance bonus  | 31 500           | 40 500           |
| <i>Performance bonus paid in 2010 financial year is in respect to the previous General Manager: Community Services</i> | <b>533 554</b>   | <b>485 885</b>   |
| <b>Remuneration of the Manager: Corporate Services</b>   |                  |                  |
| Annual remuneration  | 593 021          | 539 048          |
| Performance bonus  | 53 365           | 34 115           |
|  | <b>646 386</b>   | <b>573 162</b>   |
| <b>EMPLOYEE-RELATED COSTS</b>  |                  |                  |
| Salaries and allowances  | 38 985 463       | 34 870 576       |
| Contributions to UIF, pensions and medical aids  | 8 255 967        | 6 533 333        |
| Travel, motor car, accommodation, subsistence and other allowances   | 308 861          | 352 154          |
| Housing benefits and allowances  | 91 217           | 99 920           |
| Overtime payments  | 1 738 808        | 1 078 379        |

|  | 2011              | 2010              |
|--|-------------------|-------------------|
|  | R                 | R                 |
| Bonuses  | 2 480 111         | 2 142 914         |
| Contribution to long service awards and medical aid liability  | 5 017 676         | 4 515 877         |
|  | <b>56 878 102</b> | <b>49 593 154</b> |
| <b>25 COUNCILLORS' REMUNERATION</b>  |                   |                   |
| Mayor's allowance  | 599 590           | 572 107           |
| Deputy Mayor's allowance   | 478 323           | 473 032           |
| Speaker's allowance  | 478 426           | 456 004           |
| Executive Councillor allowance   | 444 387           | 426 922           |
| Councillors' allowances  | 2 572 759         | 2 468 116         |
|  | <b>4 573 485</b>  | <b>4 396 181</b>  |
| The Mayor, Deputy Mayor, Speaker and one Executive Councillor are full time and have an office and secretarial support at the cost of the Council. |                   |                   |
| The Mayor has the use of a Council vehicle for official duties.  |                   |                   |
| <b>26 INTEREST PAID</b>  |                   |                   |
| Long-term liabilities  | 102 662           | 97 901            |
| Total interest on external borrowings  | 102 662           | 97 901            |
| <b>27 CONTRIBUTIONS TO PROVISIONS</b>  |                   |                   |
| Contribution to bad debt provision   | -                 | 1 991 380         |
| Contribution to leave provision  | 1 356 870         | 1 081 843         |
|  | <b>1 356 870</b>  | <b>3 073 223</b>  |
| <b>28 AUDITOR'S REMUNERATION</b>   |                   |                   |
| Audit fees   | 827 604           | 773 363           |
| <b>29 CONTRACTED SERVICES</b>  |                   |                   |
| Fixed asset register and verification  | 551 829           | 1 352 617         |
| Verge contract maintenance   | 2 956 895         | 2 796 064         |
| Refuse site maintenance  | 2 621 401         | 1 947 246         |
| Security   | 1 854 314         | 1 366 228         |
| Lifeguard services   | 660 816           | 599 352           |
| Meshing fees   | 803 907           | 797 263           |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011               | 2010               |
|---|--------------------|--------------------|
|   | R                  | R                  |
| Machinery leases  | 433 571            | 361 003            |
| Computer support  | 326 347            | 231 031            |
| Other contracted services   | 909 742            | 1 364 754          |
|   | 11 118 822         | 10 815 558         |
| <b>30 GENERAL EXPENSES</b>  |                    |                    |
| Electricity and water   | 4 541 351          | 3 052 694          |
| Alternate electricity   | 2 741 558          | 1 834 836          |
| Fuel maintenance  | 2 203 605          | 1 759 937          |
| Telecommunication   | 865 827            | 991 461            |
| Printing and stationery   | 1 019 924          | 814 540            |
| Insurance   | 368 278            | 381 687            |
| Audit fees  | 827 604            | 773 363            |
| Grants and subsidies paid   | -                  | 7 800 000          |
| Workmans Compensation   | 227 192            | 448 513            |
| Special programmes  | 997 462            | 637 212            |
| Drivers' licences   | 581 779            | 475 369            |
| SETA Training Programmes and Skills Levies  | 310 707            | 704 307            |
| Valuations  | 300 000            | 300 000            |
| Other general expenses  | 11 013 683         | 6 590 981          |
|   | 25 998 970         | 26 564 900         |
| <b>31 CASH GENERATED FROM (UTILISED IN) OPERATIONS</b>                              |                    |                    |
| Surplus for the year  | 153 828 760        | 112 172 798        |
| <b>Adjustments for non-cash transactions accounted for directly against income:</b> |                    |                    |
| Previous year's operating transactions  | (726 676)          | 9 835 686          |
| Depreciation  | 10 641 369         | 8 052 491          |
| Loss on disposal of assets  | 924 656            |                    |
| Provision for refuse site rehabilitation  | (312 800)          | 355 350            |
| <b>Capital charges:</b>   |                    |                    |
| Interest paid on external loans   | 102 662            | 97 901             |
| Investment income (operating account)   | (13 385 013)       | (22 329 410)       |
|   | <b>151 072 958</b> | <b>108 184 816</b> |

|  | 2011               | 2010                |
|--|--------------------|---------------------|
|  | R                  | R                   |
| <b>(INCREASE)/DECREASE IN WORKING CAPITAL</b>                        | <b>(7 486 798)</b> | <b>(19 897 814)</b> |
| (Increase)/decrease in inventory                                     | (38 595)           | (10 112)            |
| (Increase)/decrease in receivables                                   | (8 498 153)        | 1 821 467           |
| (Increase)/decrease in short-term investments                        | 132 172 441        | 63 177 058          |
| Increase/(decrease) in creditors                                     | 5 784 478          | 14 757 387          |
| Increase/(decrease) in unspent conditional grants                    | (142 399 776)      | (104 227 315)       |
| Increase/(decrease) in provisions                                    | 4 442 196          | 3 766 183           |
| Increase/(decrease) in provisions for staff leave                    | 889 706            | 714 305             |
| Increase/(decrease) in Housing Operating account                     | 160 905            | 103 213             |
| <b>Cash generated from (utilised in) operations</b>                  | <b>143 586 160</b> | <b>88 287 002</b>   |
| <b>32 CONTINGENT LIABILITIES</b>                                     |                    |                     |
| No contingent liabilities have been identified at year end.          | -                  | -                   |
| <b>33 CAPITAL COMMITMENTS</b>  |                    |                     |
| Commitments for capital expenditure                                  |                    |                     |
| Approved and contracted for  | 146 850 615        | 66 118 430          |
| Approved but not yet contracted for                                  | 8 095 214          | 189 837 611         |
|  | <b>154 945 830</b> | <b>255 956 041</b>  |
| This expenditure will be financed from:                              |                    |                     |
| Internal source – revenue  | 14 007 182         | 6 000 000           |
| External source – National government                                | 140 938 648        | 249 956 041         |
|  | <b>154 945 830</b> | <b>255 956 041</b>  |
| <b>34 COUNCILLORS' ACCOUNTS IN ARREARS</b>                           |                    |                     |
| The following Councillors had an arrear account balance outstanding: |                    |                     |

|                        | Outstanding less than 90 Days | Outstanding more than 90 Days | Total         |
|------------------------|-------------------------------|-------------------------------|---------------|
| <b>At 30 June 2011</b> |                               |                               |               |
| Councillor TA Zondi    | 782                           | 1 296                         | 2 079         |
| Councillor GN Mbambo   | 310                           |                               | 310           |
| Councillor TH Ngcobo   | 514                           | 54 458                        | 54 972        |
|                        | <b>1 607</b>                  | <b>55 754</b>                 | <b>57 361</b> |



## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|  | Outstanding<br>less than 90<br>days | Outstanding<br>more than 90<br>days | Total      |
|--|-------------------------------------|-------------------------------------|------------|
| <b>At 30 June 2010</b>   |                                     |                                     |            |
| Councillor M Sulagan   | 7 122                               | 228 455                             | 235 577    |
| Councillor K Ramadu  | 502                                 | 16 522                              | 17 024     |
|  | 7 624                               | 244 977                             | 252 601    |
|  |                                     |                                     |            |
| <b>35 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>                                     |                                     |                                     |            |
| <b>35.1 Unauthorised expenditure</b>   |                                     |                                     |            |
| Opening balance  |                                     | 32 776 151                          | 20 468 206 |
| Unauthorised expenditure for the current year*   |                                     | -                                   | 12 307 945 |
| Approved/condoned by Council   |                                     | (32 776 151)                        | 0          |
| Transfer to receivables for recovery   |                                     |                                     |            |
| Unauthorised expenditure   |                                     | -                                   | 32 776 151 |
| <i>* Unauthorised expenditure in terms of the approved Municipal budget for the year under review is as follows:</i> |                                     |                                     |            |
| Depreciation   |                                     |                                     | 7 339 417  |
| Provision for post-retirement benefits and long service  |                                     |                                     | 3 512 180  |
| Expenditure relating to Government grants and subsidies  |                                     |                                     | 1 320 998  |
| Provision for refuse site rehabilitation   |                                     |                                     | 135 350    |
|  |                                     |                                     | 12 307 945 |
| <b>35.2 Fruitless and wasteful expenditure</b>   |                                     |                                     |            |
| Opening balance  |                                     | -                                   | -          |
| Fruitless and wasteful expenditure for the current year  |                                     | 1 282                               | -          |
| Approved/condoned by Council   |                                     | -                                   | -          |
| To be recovered – contingent asset   |                                     | -                                   | -          |
| Fruitless and wasteful expenditure   |                                     | 1 282                               | -          |
| <b>35.3 Irregular expenditure</b>  |                                     |                                     |            |
| Opening balance  |                                     | 1 898 308                           | 1 680 281  |
| Irregular expenditure for the current year   |                                     | 1 324 875                           | 218 027    |
| Approved/condoned by Council   |                                     | (1 898 308)                         | -          |
| Transfer to receivables for recovery – not condoned  |                                     |                                     | -          |
| Irregular expenditure  |                                     | 1 324 875                           | 1 898 308  |

|  | 2011 | 2010 |
|--|------|------|
|  | R    | R    |
| <b>36 CORRECTION OF ERRORS</b>   |      |      |
| The entries below detail the significant adjustments effected to the AFS in respect of the prior period. |      |      |

|   | As previously reported 2010 | Amount of correction 2010 | Restated 2010 |
|---|-----------------------------|---------------------------|---------------|
| <b>36.1 Recognition of MIG</b>  |                             |                           |               |
| Due to ongoing reviews and verification process to ensure accuracy and completeness of grant income, the following amendments have been identified. While the expenditure was correctly recognised in the prior year, the income associated to the grant was not accounted for comprehensively. |                             |                           |               |
| Conditional grants  |                             |                           |               |
| Municipal Infrastructure Grant  | (6 732 555)                 | (11 645 284)              | 4 912 729     |
| The adjustment of R 11 645 284 may be further analysed as follows:  |                             |                           |               |
| Restatement to accumulated surplus for adjustments prior to 1 June 2009   |                             | 10 446 696                |               |
| Restatement to Statement of Financial Performance for adjustments post 1 June 2009  |                             | 1 198 588                 |               |
|   |                             | <b>11 645 284</b>         |               |
| <b>36.2 Restatements of Gijima Grants</b>   |                             |                           |               |
| Conditional grants  |                             |                           |               |
| Gijima grants   | (153 862)                   | (53 498)                  | (27 230)      |
| The adjustment of R 53 498 may be further analysed as follows:  |                             |                           |               |
| Restatement to accumulated surplus for adjustments prior to 1 June 2009.  |                             | (188 836)                 |               |
| Restatement to Statement of Financial Performance for adjustments post 1 June 2009.   |                             | 135 338                   |               |
|   |                             | <b>(53 498)</b>           |               |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011 | 2010 |
|---|------|------|
|   | R    | R    |
| <b>37 PRIOR YEAR ADJUSTMENTS</b>  |      |      |
| During preparation of the Annual Financial Statements for the current financial year, it was identified that various write-offs be processed. These have been effected in accordance with managements best estimates.   |      |      |
| <b>38 SECTION 36 DISCLOSURE IN ACCORDANCE WITH SUPPLY CHAIN MANAGEMENT REGULATIONS</b>  |      |      |
| The following amounts were incurred by the Municipality in accordance with section 36 of the Municipal Finance Management Act:  |      |      |
| *Expenditure of R 151 624 920 (2010: R 91 693 174) relates to the Disaster Rehabilitation Programme. In order to expedite the rehabilitation of the damage incurred during the June 2008 floods, service providers were invited to register on a disaster database, and requested to tender as the projects were being implemented. |      |      |
| *Expenditure of R 980 095 (2010: R 380 709.05) has been incurred in accordance with section 36 of the Supply Chain Regulations in respect of goods and services procured from a sole supplier.  |      |      |
| *Expenditure of R 66 803 (2010: R 894 996.85) has been incurred in accordance with section 36 of the Supply Chain Regulations in respect of goods and services under emergency circumstances.   |      |      |
| *Expenditure of R 1 250 465 (2010: nil) has been incurred in accordance with section 36 of the Supply Chain Regulations in respect of goods and services (impracticable to follow the procurement process).   |      |      |
| *Expenditure of R 7 043 (2010: R 2 562 703) has been incurred in accordance with section 36 of the Supply Chain Regulations in respect of goods and services supplied by a specialist provider.   |      |      |
| <b>39 EVENTS AFTER REPORTING DATE</b>   |      |      |
| Management have not identified any matter or circumstance (adjusting or non-adjusting) since the end of the financial year, that will impact on the fair presentation of the Annual Financial Statements.   |      |      |
| <b>40 PARTICULARS OF TRANSACTIONS IN ACCORDANCE WITH S45 OF SUPPLY CHAIN REGULATIONS – RELATED PARTY TRANSACTIONS</b>   |      |      |

| 2011  |                          |                        |                 |
|---|--------------------------|------------------------|-----------------|
| The Municipality incurred business to the value of R 19 471 with a company associated with staff members of the Municipality. The transaction was concluded in full compliance with the Supply Chain Management Policy of Council and the transaction is considered to be at arms length. |                          |                        |                 |
| Name of individual  | Capacity of individual   | Nature of relationship | Amount of award |
| AA Govender   | Superintendent – Traffic | Parent of employee     | 19 471          |
| 2010  |                          |                        |                 |
| The Municipality incurred business to the value of R 20 790 with a company associated with staff members of the Municipality. The transaction was concluded in full compliance with the Supply Chain Management Policy of Council and the transaction is considered to be at arms length. |                          |                        |                 |
| Name of individual  | Capacity of individual   | Nature of relationship | Amount of Award |
| AA Govender   | Superintendent – Traffic | Parent of employee     | 20 790          |

|  | 2011               | 2010                  |
|--|--------------------|-----------------------|
|  | R                  | R                     |
| <b>41 FINANCIAL INSTRUMENTS</b>  |                    |                       |
| <b>41.1 FINANCIAL ASSETS:</b>  |                    |                       |
| In accordance with IAS 39.09 the financial assets of the Municipality are classified as follows: |                    |                       |
|  |                    |                       |
| <b>Financial assets</b>  |                    |                       |
|  |                    |                       |
| <b>Current investments</b>   |                    |                       |
| 30-day deposits  |                    | Held to maturity      |
|  |                    |                       |
| <b>Trade receivables from exchange transactions &amp; non-exchange transactions</b>              |                    |                       |
| Consumer debtors   |                    | Loans and receivables |
| Other debtors  |                    | Loans and receivables |
|  |                    |                       |
| <b>Bank, cash and cash equivalents</b>   |                    |                       |
| Bank balances  |                    | Available for sale    |
|  |                    |                       |
| <b>SUMMARY OF FINANCIAL ASSETS</b>   |                    |                       |
|  |                    |                       |
| <b>Held to maturity:</b>   |                    |                       |
| Current investments  | 169 060 487        | 303 812 341           |
|  |                    |                       |
|  | <b>169 060 487</b> | <b>303 812 341</b>    |
|  |                    |                       |

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

|   | 2011                                    | 2010               |
|---|---|--------------------|
|   | R                                       | R                  |
| Loans and receivables   |   |                    |
| Trade receivables from consumers  | 45 423 477                              | 43 352 515         |
| Trade receivables from other debtors  | 5 172 803                               | 5 130 288          |
|   | <b>50 596 283</b>                       | <b>48 482 803</b>  |
| Available for sale:   |   |                    |
| Bank balances and cash  | 424 967                                 | 264 062            |
|   | <b>424 966</b>                          | <b>264 062</b>     |
| Total financial assets  | <b>220 081 736</b>                      | <b>352 559 206</b> |
| <b>41.2 FINANCIAL LIABILITIES:</b>  |   |                    |
| In accordance with IAS 39.09 the financial liabilities of the Municipality are classified as follows: |   |                    |
| <b>Financial liabilities</b>  | <b>Classification</b>                   |                    |
| <b>Long-term liabilities</b>  |   |                    |
| Non-annuity loans   | Financial liabilities at amortised cost |                    |
| Annuity loans   | Financial liabilities at amortised cost |                    |
| <b>Consumer deposits</b>  |   |                    |
| Electricity   | Financial liabilities at amortised cost |                    |
| <b>Creditors</b>  |   |                    |
| Trade creditors   | Financial liabilities at amortised cost |                    |
| Payments received in advance  | Financial liabilities at amortised cost |                    |
| Deposits – other  | Financial liabilities at amortised cost |                    |
| Staff leave   | Financial liabilities at amortised cost |                    |



|   |   | 2011              | 2010              |
|---|---|-------------------|-------------------|
|   |   | R                 | R                 |
| Other creditors                                 | Financial liabilities at amortised cost |                   |                   |
| <b>Current portion of long-term liabilities</b> |   |                   |                   |
| Non-annuity loans                               | Financial liabilities at amortised cost |                   |                   |
| Annuity loans                                   | Financial liabilities at amortised cost |                   |                   |
| Bank, cash and cash equivalents                 |   |                   |                   |
| Bank balances                                   | Available for sale                      |                   |                   |
| <b>SUMMARY OF FINANCIAL LIABILITIES</b>         |   |                   |                   |
| <b>Financial liabilities at amortised cost:</b> |   |                   |                   |
| Long-term liabilities                           | Non-annuity loans                       |                   | 1 200 000         |
| Long-term liabilities                           | Annuity loans                           |                   | 77 306            |
| Deposits  | Sundry deposits                         |                   | 1 176 432         |
| Creditors                                       | Trade creditors                         |                   | 11 421 522        |
| Creditors                                       | Payments received in advance            |                   | 2 333 657         |
| Creditors                                       | Staff leave                             |                   | 4 009 835         |
| Creditors                                       | Other creditors                         |                   | 10 182 986        |
| Current portion of long-term liabilities        | Non-annuity loans                       |                   | 889 694           |
| Current portion of long-term liabilities        | Annuity loans                           |                   | 611 734           |
|   |   | <b>38 634 161</b> | <b>31 541 761</b> |
| <b>Bank, cash and cash equivalents</b>          |   |                   |                   |
| Bank balances                                   |   | <b>11 247 789</b> | <b>2 787 957</b>  |
| <b>Total financial liabilities</b>              |   | <b>49 881 950</b> | <b>34 329 718</b> |
| <b>42 BUDGET COMPARATIVES</b>                   |   |                   |                   |

In addition to comparatives of actual performance against budget being disclosed in the Statement of Financial Performance, the Municipality has further disclosed such comparatives on Appendix E1.

## Notes to the Annual Financial Statements

for the year ended 30 June 2011 (continued)

| Reconciliation of carrying value       | PROPERTY, PLANT AND EQUIPMENT  |                         |                    |                  |                   |                      |                 |             |
|--|--------------------------------|-------------------------|--------------------|------------------|-------------------|----------------------|-----------------|-------------|
|  | Furniture and office equipment | Machinery and equipment | Computer equipment | Transport assets | Intangible assets | Solid waste disposal | Heritage assets | Dwellings   |
| <b>Carrying values at 1 July 2010</b>  | 2 338 274                      | 4 967 536               | 901 823            | 9 514 157        | 150 193           | 7 640 712            | -               | 14 316 781  |
| Cost/revaluation                       | 4 622 838                      | 8 590 489               | 1 842 434          | 15 942 443       | 317 492           | 8 632 919            | -               | 17 823 305  |
| Cost                                   | 4 622 838                      | 8 590 489               | 1 842 434          | 15 942 443       | 317 492           | 8 632 919            | -               | 17 823 305  |
| Revaluation                            |                                |                         |                    |                  |                   |                      |                 |             |
| Accumulated depreciation               | (2 284 564)                    | (3 622 953)             | (940 611)          | (6 428 286)      | (167 299)         | (992 207)            | -               | (3 506 524) |
| Based on cost                          | (2 284 564)                    | (3 622 953)             | (940 611)          | (6 428 286)      | (167 299)         | (992 207)            | -               | (3 506 524) |
| Based on revaluation                   |                                |                         |                    |                  |                   |                      |                 |             |
| Acquisitions                           | 416 611                        | 230 905                 | 317 356            | 2 519 752        | 63 420            | 230 350              | 38 613          | 3 396 737   |
| Increases/(decreases) in revaluation   | 733 022                        | 780 760                 | 142 621            | 1 204 354        | 973               | 20 222               | 52 400          |             |
| Depreciation                           | (617 748)                      | (772 271)               | (305 553)          | (2 083 963)      | (49 913)          | (202 411)            | -               | (720 322)   |
| Based on cost                          | (617 748)                      | (772 271)               | (305 553)          | (2 083 963)      | (49 913)          | (202 411)            | -               | (720 322)   |
| Based on revaluation                   |                                |                         |                    |                  |                   |                      |                 |             |
| Carrying value of disposals            | -                              | -                       | (11 224)           | -                | -                 | -                    | -               | -           |
| Cost/ revaluation                      |                                |                         | (29 546)           |                  |                   |                      |                 |             |
| Accumulated depreciation               |                                |                         | 18 322             |                  |                   |                      |                 |             |
| Impairment losses                      |                                |                         |                    |                  |                   |                      |                 |             |
| Other movements                        |                                |                         |                    |                  |                   |                      |                 |             |
| <b>Carrying values at 30 June 2011</b> | 2 870 159                      | 5 206 930               | 1 045 023          | 11 154 300       | 164 673           | 7 688 873            | 91 013          | 16 993 196  |
| Represented by                         |                                |                         |                    |                  |                   |                      |                 |             |
| Cost/revaluation                       | 5 772 471                      | 9 602 154               | 2 272 865          | 19 666 549       | 973               | 8 883 491            | 91 013          | 21 220 042  |
| Cost                                   | 5 039 449                      | 8 821 394               | 2 130 244          | 18 462 195       |                   | 8 863 269            | 38 613          | 21 220 042  |
| Revaluation                            | 733 022                        | 780 760                 | 142 621            | 1 204 354        | 973               | 20 222               | 52 400          | -           |
| Accumulated depreciation               | (2 902 312)                    | (4 395 224)             | (1 227 842)        | (8 512 249)      |                   | (1 194 618)          | -               | (4 226 846) |
| Cost                                   | (2 902 312)                    | (4 395 224)             | (1 227 842)        | (8 512 249)      |                   | (1 194 618)          | -               | (4 226 846) |
| Revaluation                            |                                |                         |                    |                  |                   |                      |                 |             |
| <b>Carrying values at 30 June 2011</b> | 2 870 159                      | 5 206 930               | 1 045 023          | 11 154 300       |                   | 7 688 873            | 91 013          | 16 993 196  |

| PROPERTY, PLANT AND EQUIPMENT |            |                           |            |            |             |                 |                           |              |
|-------------------------------|------------|---------------------------|------------|------------|-------------|-----------------|---------------------------|--------------|
| Roads                         | Bridges    | Non-residential dwellings | Land       | Cemeteries | Electricity | Housing schemes | Assets under construction | Total        |
| 37 183 268                    | 913 432    | 58 304 391                | 13 708 524 | 1 873 737  | 1 482 350   | 13 430 578      | 98 067 617                | 264 793 373  |
| 48 326 602                    | 913 432    | 68 144 677                | 13 708 524 | 2 099 761  | 1 685 167   | 13 430 578      | 98 067 617                | 304 148 278  |
| 48 326 602                    | 913 432    | 68 144 677                | 13 708 524 | 2 099 761  | 1 685 167   | 13 430 578      | 98 067 617                | 304 148 278  |
| (11 143 334)                  | -          | (9 840 286)               | -          | (226 024)  | (202 817)   | -               | -                         | (39 354 905) |
| (11 143 334)                  | -          | (9 840 286)               | -          | (226 024)  | (202 817)   | -               | -                         | (39 354 905) |
| 75 008 188                    | -          | 15 371 446                | -          | -          | -           | -               | 68 676 702                | 166 270 080  |
|                               |            |                           |            |            |             | 3 864 854       |                           | 6 799 206    |
| (3 216 180)                   | -          | (2 552 399)               | -          | (69 944)   | (50 665)    | -               | -                         | (10 641 369) |
| (3 216 180)                   | -          | (2 552 399)               | -          | (69 944)   | (50 665)    |                 |                           | (10 641 369) |
| -                             | (913 432)  | -                         | -          | -          | -           | (4 561 082)     | -                         | (5 485 738)  |
|                               | (913 432 ) |                           |            |            |             | (4 561 082)     |                           | (5 504 060)  |
|                               |            |                           |            |            |             |                 |                           | 18 322       |
|                               |            |                           |            |            |             |                 |                           | -            |
|                               |            |                           |            |            |             |                 |                           | -            |
| 108 975 276                   | -          | 71 123 438                | 13 708 524 | 1 803 793  | 1 431 685   | 12 734 350      | 166 744 319               | 421 735 552  |
| -                             | -          | -                         | -          | 2 099 761  | -           | 3 864 854       | 166 744 319               | 471 713 504  |
|                               |            |                           |            | 2 099 761  |             |                 | 166 744 319               | 464 914 298  |
| -                             | -          | -                         | -          | -          | -           | 3 864 854       | -                         | 6 799 206    |
|                               |            |                           |            | (295 968)  |             |                 | -                         | (49 977 952) |
|                               |            |                           |            | (295 968)  |             |                 | -                         | (49 977 952) |
|                               |            |                           |            | 1 803 793  |             |                 | 166 744 319               | 421 735 552  |
|                               |            |                           |            |            |             |                 |                           |              |

## Appendix A

for the year ended 30 June 2011

| SCHEDULE OF EXTERNAL LOANS             |                       |                     |                            |                          |
|--|-----------------------|---------------------|----------------------------|--------------------------|
| External loan                          | Interest rate         | Period of loan      | Balance as at 30 June 2010 | Received during the year |
| <b>Other long-term loans</b>           |                       |                     |                            |                          |
| uMsekeli Financial Services            | 0,00%                 |                     | 889 694                    | -                        |
| Development Bank of SA Ltd (MPRA Loan) |                       |                     | 1 200 000                  | -                        |
| <b>Total long-term loans</b>           |                       |                     | <b>2 089 694</b>           | <b>-</b>                 |
| <b>Annuity loans</b>                   |                       |                     |                            |                          |
| Development Bank of SA Ltd             | Various (9.6%-17.65%) | Various (2009-2015) | 173 826                    |                          |
| uMsekeli Financial Services            |                       |                     |                            |                          |
| Library                                | 10,00%                |                     | 77 290                     |                          |
| Roads and drains                       | 10,00%                |                     | 437 924                    |                          |
| <b>Total annuity loans</b>             |                       |                     | <b>689 040</b>             | <b>-</b>                 |
| <b>TOTAL EXTERNAL LOANS</b>            |                       |                     | <b>2 778 734</b>           | <b>-</b>                 |

**SCHEDULE OF EXTERNAL LOANS**

| Adjustments<br>to correct the<br>previous year | Redeemed/<br>written off during<br>the year | Balance as at<br>30 June 2011 | Short-term portion |                  | 2011 interest<br>accrued for the<br>year |
|--|---|-------------------------------|--------------------|------------------|--|
|  |   |                               | 2011               | 2010             |  |
| -  | -   | 889 694                       | 889 694            | 889 694          | -  |
| -  | -   | 1 200 000                     | 285 239            | -                | 81 000                                   |
| -  | -   | <b>2 089 694</b>              |                    |                  |  |
|  | (96 478)                                    | 77 349                        | 44 769             | 96 521           | 21 502                                   |
|  |   | 77 290                        | 77 290             | 77 290           | -  |
|  |   | 437 924                       | 437 924            | 437 923          | -  |
| -  | (96 478)                                    | <b>592 563</b>                |                    |                  |  |
| -  | (96 478)                                    | <b>2 682 257</b>              | <b>1 734 916</b>   | <b>1 501 428</b> | <b>102 502</b>                           |



## Appendix B

for the year ended 30 June 2011

|                                | ANALYSIS OF PROPERTY PLANT AND EQUIPMENT |                  |                          |             |                                    |   |
|--------------------------------|--|------------------|--------------------------|-------------|------------------------------------|---|
|                                | Cost/revaluation                         |                  |                          |             |                                    |   |
|                                | Opening balance                          | Work in progress | Restated opening balance | Additions   | Increase (decrease) in revaluation | Work in progress transferred to additions |
|                                | R  | R                | R                        | R           | R                                  | R   |
| Furniture and office equipment | 4 622 838                                |                  | 4 622 838                | 416 611     | 733 022                            |   |
| Machinery and equipment        | 8 590 489                                |                  | 8 590 489                | 230 905     | 780 760                            |   |
| Computer equipment             | 1 842 434                                |                  | 1 842 434                | 317 356     | 142 621                            |   |
| Transport assets               | 15 942 443                               |                  | 15 942 443               | 2 519 752   | 1 204 354                          |   |
| Intangible assets              | 317 492                                  |                  | 317 492                  | 63 420      | 973                                |   |
| Solid waste disposal           | 8 632 919                                |                  | 8 632 919                | 230 350     | 20 222                             |   |
| Heritage assets                | -  |                  | -                        | 38 613      | 52 400                             |   |
| Dwellings                      | 17 823 305                               | 2 566 731        | 20 390 036               | 3 544 039   | -                                  | (2 714 032)                               |
| Roads                          | 48 326 602                               | 82 152 255       | 130 478 857              | 226 633 105 | -                                  | (76 904 250)                              |
| Bridges                        | 913 432                                  |                  | 913 432                  | -           | -                                  |   |
| Non-residential dwellings      | 68 144 677                               | 10 760 430       | 78 905 107               | 24 513 534  | -                                  | (13 475 383)                              |
| Land                           | 13 708 524                               |                  | 13 708 524               | -           | -                                  |   |
| Cemeteries                     | 2 099 761                                | 2 588 201        | 4 687 962                | 856 060     | -                                  |   |
| Electricity                    | 1 685 167                                |                  | 1 685 167                | -           | -                                  |   |
| Housing schemes                | 13 430 578                               |                  | 13 430 578               | -           | 3 864 854                          |   |
|                                | 206 080 661                              | 98 067 617       | 304 148 278              | 259 363 745 | 6 799 206                          | (93 093 665)                              |
|                                |  |                  |                          |             |                                    |   |

# ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

## Accumulated depreciation

| Disposals   | Closing balance | Opening balance | Additions  | Disposals | Closing balance | Carrying value – 2011 | Carrying value – 2010 |
|-------------|-----------------|-----------------|------------|-----------|-----------------|-----------------------|-----------------------|
| R           | R               | R               | R          | R         | R               | R                     | R                     |
|             | 5 772 471       | 2 284 564       | 617 748    |           | 2 902 312       | 2 870 159             | 2 338 274             |
|             | 9 602 154       | 3 622 953       | 772 271    |           | 4 395 224       | 5 206 930             | 4 967 536             |
| (29 546)    | 2 272 865       | 940 611         | 305 553    | (18 322)  | 1 227 842       | 1 045 023             | 901 823               |
|             | 19 666 549      | 6 428 286       | 2 083 963  |           | 8 512 249       | 11 154 300            | 9 514 157             |
|             | 381 885         | 167 299         | 49 913     |           | 217 212         | 164 673               | 150 193               |
|             | 8 883 491       | 992 207         | 202 411    |           | 1 194 618       | 7 688 873             | 7 640 712             |
|             | 91 013          | -               | -          |           | -               | 91 013                | -                     |
|             | 21 220 043      | 3 506 524       | 720 322    |           | 4 226 846       | 16 993 197            | 16 883 512            |
|             | 280 207 712     | 11 143 334      | 3 216 180  |           | 14 359 514      | 265 848 198           | 119 335 523           |
| (913 432)   | -               | -               | -          |           | -               | -                     | 913 432               |
|             | 89 943 258      | 9 840 286       | 2 552 399  |           | 12 392 685      | 77 550 573            | 69 064 821            |
|             | 13 708 524      | -               | -          |           | -               | 13 708 524            | 13 708 524            |
|             | 5 544 022       | 226 024         | 69 944     |           | 295 968         | 5 248 054             | 4 461 938             |
|             | 1 685 167       | 202 817         | 50 665     |           | 253 482         | 1 431 685             | 1 482 350             |
| (4 561 082) | 12 734 350      | -               | -          |           | -               | 12 734 350            | 13 430 578            |
| (5 504 060) | 471 713 504     | 39 354 905      | 10 641 369 | (18 322)  | 49 977 952      | 421 735 552           | 264 793 373           |
|             |                 |                 |            |           |                 |                       |                       |

## Appendix C

for the year ended 30 June 2011

|                          | SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT |                  |                  |           |                            |                       |
|--------------------------|---|------------------|------------------|-----------|----------------------------|-----------------------|
|                          | Cost/revaluation                                    |                  |                  |           |                            |                       |
|                          | Opening balance                                     | Work in progress | Restated opening | Additions | Work in progress additions | Fair value adjustment |
|                          | R   | R                | R                | R         | R                          | R                     |
| Beach office             | 186 078   |                  | 186 078          | 695 906   |                            | 2 915                 |
| Building office          | 75 904  |                  | 75 904           | 24 452    |                            | 23 729                |
| Caravan park             | 41 904  |                  | 41 904           | -         |                            | -                     |
| Civic buildings          | 342 357   |                  | 342 357          | -         |                            | -                     |
| Community services       | 60 556 635  | 12 315 011       | 72 871 646       | 396 384   | 10 145 449                 | 1 054 575             |
| Community facilities     | 77 430  |                  | 77 430           | 26 568    |                            | 7 431                 |
| Public works             | 13 426 412  |                  | 13 426 412       | 7 094     |                            | 2 935                 |
| Council                  | 87 856  |                  | 87 856           | -         |                            | 30 548                |
| Council general          | 170 883   |                  | 170 883          | 12 948    |                            | 6 850                 |
| Council admin            | 93 478  |                  | 93 478           | 55 650    |                            | 66 062                |
| Environmental health     | 72 949  |                  | 72 949           | 651       |                            | 980                   |
| Estates                  | 1 800   |                  | 1 800            | -         |                            | -                     |
| Financial services       | 1 359 940   |                  | 1 359 940        | 127 502   |                            | 40 477                |
| Administration           | 2 088 062   |                  | 2 088 062        | 811 553   |                            | 83 352                |
| Library                  | 15 741 719  |                  | 15 741 719       | -         |                            | -                     |
| Parks and gardens        | 620 978   |                  | 620 978          | 5 521     |                            | 4 624                 |
| Public works             | 707 868   |                  | 707 868          | -         |                            | -                     |
| Refuse                   | 8 398 651   |                  | 8 398 651        | 230 350   |                            | 15 647                |
| Roads                    | 49 730 815  | 82 901 327       | 132 632 142      | 51 736    | 151 624 921                | 48 199                |
| Sewerage                 | 456 230   |                  | 456 230          | -         |                            | -                     |
| Storeroom                | 588 182   |                  | 588 182          | 115 275   |                            | 80 003                |
| Stores                   | 332   |                  | 332              | -         |                            | -                     |
| Corporate                | 24 823 055  | 3 600 351        | 28 423 406       | 596 615   | -                          | 147 745               |
| Workshop                 | 103 252   |                  | 103 252          | -         |                            | 1 260                 |
| Technical administration | 25 578 819  |                  | 25 578 819       | 1 341 506 |                            | 1 317 022             |
|                          | 205 331 589   | 98 816 689       | 304 148 278      | 4 499 710 | 161 770 370                | 2 934 352             |
|                          |   |                  |                  |           |                            |                       |

# SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

|             |                 | Accumulated depreciation |            |           |                 |                     |                     |
|-------------|-----------------|--------------------------|------------|-----------|-----------------|---------------------|---------------------|
| Disposals   | Closing balance | Opening balance          | Additions  | Disposals | Closing balance | 2011 carrying value | 2010 carrying value |
| R           | R               | R                        | R          | R         | R               | R                   | R                   |
| -           | 884 899         | 123 480                  | 24 026     | -         | 147 506         | 737 392             | 62 598              |
| -           | 124 085         | 33 330                   | 11 778     | -         | 45 108          | 78 977              | 42 574              |
| -           | 41 904          | 32 680                   | 3 072      | -         | 35 752          | 6 153               | 9 225               |
| -           | 342 357         | 184 126                  | 52 695     | -         | 236 822         | 105 535             | 158 230             |
| -           | 84 468 054      | 13 304 414               | 2 896 688  | -         | 16 201 101      | 68 266 953          | 59 567 232          |
| -           | 111 429         | 31 514                   | 15 545     | -         | 47 059          | 64 370              | 45 916              |
| (696 228)   | 12 740 213      | 39 525                   | 14 094     | -         | 53 619          | 12 686 594          | 13 386 886          |
| -           | 118 404         | 55 366                   | 8 264      | -         | 63 630          | 54 774              | 32 490              |
| (12 181)    | 178 500         | 60 281                   | 26 449     | (8 353)   | 78 378          | 100 123             | 110 601             |
| -           | 215 190         | 22 179                   | 14 407     | -         | 36 587          | 178 604             | 71 299              |
| -           | 74 580          | 30 902                   | 11 896     | -         | 42 798          | 31 782              | 42 047              |
| -           | 1 800           | 900                      | 180        | -         | 1 080           | 720                 | 900                 |
| -           | 1 527 918       | 864 478                  | 141 787    | -         | 1 006 265       | 521 653             | 495 462             |
| -           | 2 982 967       | 1 034 264                | 276 750    | -         | 1 311 014       | 1 671 953           | 1 053 797           |
| -           | 15 741 719      | 1 706 245                | 500 689    | -         | 2 206 935       | 13 534 785          | 14 035 474          |
| -           | 631 123         | 382 348                  | 69 569     | -         | 451 917         | 179 206             | 238 631             |
| -           | 707 868         | 400 637                  | 60 051     | -         | 460 688         | 247 180             | 307 231             |
| -           | 8 644 648       | 965 129                  | 180 900    | -         | 1 146 028       | 7 498 619           | 7 433 522           |
| (913 432)   | 283 443 566     | 11 368 765               | 3 316 263  | -         | 14 685 028      | 268 758 537         | 121 263 376         |
| -           | 456 230         | 363 755                  | 30 797     | -         | 394 551         | 61 678              | 92 475              |
| -           | 783 460         | 252 808                  | 101 177    | -         | 353 985         | 429 475             | 335 374             |
| -           | 332             | 241                      | 30         | -         | 272             | 60                  | 91                  |
| (17 366)    | 29 150 400      | 2 376 014                | 904 993    | (9 969)   | 3 271 037       | 25 879 363          | 26 047 392          |
| -           | 104 512         | 67 647                   | 10 057     | -         | 77 705          | 26 807              | 35 605              |
| -           | 28 237 347      | 5 653 876                | 1 969 212  | -         | 7 623 089       | 20 614 258          | 19 924 943          |
| (1 639 206) | 471 713 504     | 39 354 906               | 10 641 369 | (18 322)  | 49 977 953      | 421 735 552         | 264 793 372         |

## for the year ended 30 June 2011

for the year ended 30 June 2011



## Appendix E1

for the year ended 30 June 2011

|  | ACTUAL COMPARED WITH REVENUE AND EXPENDITURE |                    |                      |                  | Explanation for variances greater than 15%   |
|--|--|--------------------|----------------------|------------------|--|
|  | Actual 2011                                  | Budget 2011        | Variance 2011        | Variance 2011    |  |
|  | R  | R                  | R                    | %                |  |
| <b>REVENUE</b>   |  |                    |                      |                  |  |
| Property rates   | 48 566 675                                   | 49 085 000         | (518 325)            | (1,06%)          | Increase in penalties raised due to consumer debt being outstanding for a longer period of time than anticipated.  |
| Property rates: penalties imposed & collection charges | 2 302 661                                    | 3 000 035          | (697 374)            | (23,25%)         |  |
| Service charges  | 7 195 761                                    | 8 260 069          | (1 064 308)          | (12,88%)         |  |
| Rental of facilities and equipment                     | 4 159 745                                    | 4 090 623          | 69 122               | 1,69%            |  |
| Interest earned – external investments                 | 13 385 013                                   | 4 444 950          | 8 940 063            | 201,13%          | Due to the investment of the unspent funds for the Disaster Management Grant, interest accrued has increased substantially.  |
| Fines and penalties                                    | 1 499 829                                    | 1 494 888          | 4 941                | 0,33%            | The implementation of GRAP requires the recognition of grant revenue in accordance with expenditure. Due to the rollout of the disaster rehabilitation programme, the expenditure had increased substantially.   |
| Licences and permits                                   | 5 237 907                                    | 5 907 830          | (669 923)            | (11,34%)         |  |
| Government grants and subsidies                        | 183 012 587                                  | 148 273 104        | 34 739 483           | 23,43%           |  |
| Other income   | 5 664 592                                    | 3 931 374          | 1 733 218            | 44,09%           |  |
| Decrease in refuse site provision                      | 312 800                                      | -                  | 312 800              | 100,00%          | Due to Council's strict implementation of the tariff of charges, a substantial increase in other revenue has been realised.  |
| Decrease in bad debt provision                         | 224 445                                      | -                  | 224 445              | 100,00%          | Engineering studies have indicated an expected decrease in Council's liability on the rehabilitation of the refuse site, therefore resulting in a decrease in the provision. Calculations based on the collection recoverability trends have indicated a decrease in the required provision value. |
| <b>Total revenue</b>                                   | <b>271 562 015</b>                           | <b>228 487 873</b> | <b>43 074 142</b>    | <b>18,85%</b>    |  |
| <b>EXPENDITURE</b>                                     |  |                    |                      |                  |  |
| Council general  | 12 528 044                                   | 13 245 434         | (717 390)            | (5,42%)          | Due to technical revisions in the Accounting Standard, GRAP 17, the cost reallocation method was utilised in finalisation of the asset register, as opposed to the revaluation method.   |
| Financial services                                     | 16 053 737                                   | 14 232 400         | 1 821 337            | 12,80%           |  |
| Technical services                                     | 42 241 076                                   | 154 981 320        | (112 740 244)        | (72,74%)         |  |
| Corporate services                                     | 11 746 003                                   | 12 080 516         | (334 513)            | (2,77%)          |  |
| Community services                                     | 30 306 824                                   | 29 038 594         | 1 268 230            | 4,37%            |  |
| Planning and development                               | 4 857 571                                    | 4 908 284          | (50 713)             | (1,03%)          |  |
| <b>Total expenditure</b>                               | <b>117 733 255</b>                           | <b>228 486 548</b> | <b>(110 753 293)</b> | <b>(48%)</b>     |  |
| <b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>              | <b>153 828 760</b>                           | <b>1 325</b>       | <b>153 827 435</b>   | <b>(120,65%)</b> |  |

## Appendix E2

for the year ended 30 June 2011

|                          | ACTUAL VERSUS BUDGET – ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT |             |               |               |
|--------------------------|---|-------------|---------------|---------------|
|                          | 2011 total additions  | 2011 budget | 2011 variance | 2011 variance |
|                          | R   | R           | R             | %             |
| Council general          | 234 024   | 234 484     | (460)         | (0,20%)       |
| Financial services       | 169 205   | 111 886     | 57 319        | 51,23%        |
| Technical services       | 161 685 975   | 163 809 272 | (2 123 297)   | (1,30%)       |
| Corporate services       | 363 731   | 383 016     | (19 285)      | (5,04%)       |
| Community services       | 3 722 818   | 8 123 288   | (4 400 470)   | (54,17%)      |
| Planning and development | 94 327  | 110 091     | (15 764)      | (14,32%)      |
|                          | 166 270 080   | 172 772 037 | (6 501 957)   | (3,76%)       |
|                          |   |             |               |               |

## Appendix F

for the year ended 30 June 2011

| DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 |  |                |              |            |              |               |              |
|--|--|----------------|--------------|------------|--------------|---------------|--------------|
| Name of grants   | Name of organ of state or Municipal entity | Receipts       |              |            |              |               | Expenditure  |
|  |  | Total 1.7.2010 | July to Sept | Oct to Dec | Jan to Mar   | April to June | July to Sept |
|  |  |                | 1            | 2          | 3            | 4             | 1            |
| Renaissance Project  | KZN Dept of Housing                        | (324 852)      |              |            |              |               |              |
| Skills Training Centre   | DTLGA                                      | (169 414)      |              |            |              |               | 21 362       |
| Municipal Infrastructure Grant   | National Treasury                          | 4 912 729      |              |            | (9 732 000)  | (451 000)     | 438 672      |
| Municipal Infrastructure Grant Flood Damage                                    | National Treasury                          | (256 182 677)  |              |            |              |               | 14 231 510   |
| MIG Tidal Surge  | National Treasury                          | (1 498 713)    |              |            |              |               |              |
| Umdoni Tourist Plan  | European Community Grant                   | (9 586)        |              |            |              |               |              |
| Umdoni Industrial Development  | European Community Grant                   | (76 855)       |              |            |              |               |              |
| Umdoni SMME  | European Community Grant                   | (83 406)       |              |            |              |               |              |
| Agricultural Dev Stat  | European Community Grant                   | (27 230)       |              |            |              |               |              |
| Umdoni Bus Ret & Exp   | European Community Grant                   | (10 283)       |              |            |              |               |              |
| Environmental management practice  | KZN Agric & Env Affairs                    | (147 771)      |              |            |              |               |              |
| Malangeni Library  | KZN Library Services                       | (46 427)       |              |            |              |               |              |
| Scottburgh Library Internet  | KZN Library Services                       | (13 938)       | (90 000)     |            |              |               | 21 644       |
| SETA   | Local government SETA                      | (56 377)       | (16 972)     | (120 372)  |              | (18 123)      | 34 875       |
| Finance Management Grant   | National Treasury                          | (789 841)      | (1 200 000)  |            |              |               | 249 000      |
| MSIG   | National Treasury                          | (22 006)       | (750 000)    |            |              |               | 658 781      |
| Communal gardens upgrade (LED)   | Old Mutual                                 | (254 325)      |              |            |              |               |              |
| Malangeni Library – Cybercadet   | DTLGA                                      | (78 900)       |              |            |              |               | 20 132       |
| Strategic Env Assess   | Ugu District Municipality                  | (725 000)      |              |            |              |               |              |
| Tourist development  | Ugu District Municipality                  | (119 034)      |              |            |              |               |              |
| Youth development  | Ugu District Municipality                  | 104 191        | (125 000)    |            |              |               | 46 520       |
| IDP Review Grant   | DTLGA                                      | (102 467)      |              |            |              |               | 40 470       |
| Disaster Centre  | DTLGA                                      | (844 217)      |              |            |              |               |              |
| Municipal Pound  | COGTA                                      | -              |              |            | (1 000 000)  |               |              |
| National Electrification Grant   | National Treasury                          | -              | (4 536 000)  |            |              |               |              |
| Environmental Management Grant   | KZN Environmental Affairs                  | -              |              |            |              | (15 000)      |              |
| Sports and Recreation (Winter Games Prize)                                     | Ugu District Municipality                  | -              |              |            |              | -3 000        |              |
| LED Learnership  | COGTA                                      | -              | (176 000)    |            |              |               |              |
|  |  | (256 566 399)  | (6 893 972)  | (120 372)  | (10 732 000) | (487 123)     | 15 762 966   |

## Appendix F (continued)

for the year ended 30 June 2011

| DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 |            |               |                         |                   |  |  |   |                           |
|--|------------|---------------|-------------------------|-------------------|--|--|---|---------------------------|
| Expenditure  |            |               |                         |                   |  |  |   |                           |
| Oct to Dec   | Jan to Mar | April to June | Grants repaid to funder | Balance 30.6.2011 | Grants and subsidies delayed or withheld | Reason for delay with-holding of funds | Did your Munic. comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act? | Reason for non-compliance |
| 2  | 3          | 4             |                         |                   |  |  |   |                           |
|  |            | 151 415       |                         | (173 437)         | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (148 052)         | Nil                                      | NA                                     | Yes   | NA                        |
| 2 033 966  | 829 803    | 1 914 311     |                         | (53 519)          | Nil                                      | NA                                     | Yes   | NA                        |
| 71 071 368   | 27 420 464 | 38 901 578    |                         | (104 557 757)     |  |  |   |                           |
|  |            | 147 302       |                         | (1 351 411)       | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               | 9 586                   | 0                 | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               | 76 855                  | 0                 | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               | 83 406                  | 0                 | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               | 27 230                  | 0                 | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               | 10 283                  | 0                 | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (147 771)         | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (46 427)          | Nil                                      | NA                                     | Yes   | NA                        |
| 22 628   | 22 950     | 21 848        |                         | (14 868)          | Nil                                      | NA                                     | Yes   | NA                        |
| 6 428  | 158 000    |               |                         | (12 541)          | Nil                                      | NA                                     | Yes   | NA                        |
| 288 388  | 593 923    | 337 755       |                         | (520 775)         | Nil                                      | NA                                     | Yes   | NA                        |
| 10 728   | 547        | 28 349        |                         | (73 601)          | Nil                                      | NA                                     | Yes   | NA                        |
|  |            | 167 710       |                         | (86 615)          | Nil                                      | NA                                     | Yes   | NA                        |
| 20 132   | 20 132     | 20 132        |                         | 1 628             | Nil                                      | NA                                     | Yes   | NA                        |
| 80 080   | 113 019    | 112 920       |                         | (418 981)         | Nil                                      | NA                                     | Yes   | NA                        |
| 36 258   | 34 059     | 19 483        |                         | (29 234)          | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | 25 711            | Nil                                      | NA                                     | Yes   | NA                        |
| 11 453   |            |               |                         | (50 544)          | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (844 217)         | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (1 000 000)       | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (4 536 000)       | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (15 000)          | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         | (3 000)           | Nil                                      | NA                                     | Yes   | NA                        |
| 65 789   |            |               |                         | (110 211)         | Nil                                      | NA                                     | Yes   | NA                        |
|  |            |               |                         |                   | Nil                                      | NA                                     | Yes   | NA                        |
| 73 647 218   | 29 192 897 | 41 822 803    | 207 360                 | (114 166 622)     |  |  |   |                           |



## Chapter 5

# FUNCTIONAL AREA: SERVICE DELIVERY

## Office of the Municipal Manager



### Development Section

#### Integrated Development Plan (IDP)

The IDP has a lifespan of five years that is linked directly to the term of office for local councillors. With the new term of office starting after 18 May local government elections, the Municipality developed its five-year IDP within this financial year. Apartheid spatial planning ensured that the mass of our people were located far from areas of social and economic opportunities. This spatial marginalisation from economic opportunities is still a significant feature of our space economy that needs to be addressed in order to reduce poverty and inequality, and ensure shared growth.

Statistical data within the IDP process remains a challenge within the Municipality. To a large extent, the Municipality utilised the community survey by Stats SA, however, the challenge with the 2007 survey is that it does not go down to ward and municipal level, which makes it difficult to obtain data. It is acknowledged that other sources of data can be obtained and the Municipality must constantly strive to obtain such data and to that effect, the Municipality has utilised data for Ugu District Municipality and from the Eskom Household Survey. More effort still needs to be made in the next review.

During this year's process, more efforts were in place to ensure inclusive public participation, however, there is always room for improvement.

#### Institutional arrangement

Institutionally, the IDP is placed within the Office of the Municipal Manager where the Senior Manager Strategic Planning and Development is responsible for the management and coordination of the IDP process. During the 2010/2011 financial year, the document was prepared in-house. To assist the IDP Manager, a development planner was appointed on a contractual basis in February 2010 and his contract has subsequently been renewed for this financial year. Proposals have been submitted to Council to include the post of the Development Planner on the organogram.

#### IDP Process Plan

The Municipal Systems Act (Act 32 of 2000) stipulates clearly that municipalities must prepare an Integrated Development Plan as their strategic document for the five-year term of Council. In developing the IDP, the process





plan must be prepared and adopted by Council. Umdoni embarked on a joint process plan for the budget and IDP process. The Council's IDP Process plan was adopted in August 2010.

### Preparing for the 2011/2012 – 2013–15 IDP: How the plan was developed

In ensuring that the document is credible, the document is also designed to be simple and easy to understand and follow. As this is a five-year plan, extensive consultation processes took place. The following activities have been undertaken to produce the five-year Integrated Development Plan document for the period of 2011/2012 – 2015/2016:

- An analysis of the current situation was performed.
- An IDP contact session where the tools for Local Area Plans were utilised, took place from 12-18 November 2010, where various stakeholders of the communities were invited, including the ward committee members.
- IDP Representative Forums were held on 29 October 2010, 7 December 2010 and 11 March 2011.
- A Strategic Planning workshop was held where alignment with MTSF priorities and developmental indicators was undertaken.
- The Municipal Strategic Planning Session was held with the municipal administration and political leadership where objectives, targets and indicators were looked at and agreed on by Council. The Turn Around Strategy and alignment thereof was also discussed at this platform.
- District IDP Representatives Forums are attended by the Municipality together with the District Planners Forums to ensure alignment.
- For implementation of the IDP, another strategic planning session was held with top and middle management only. This took place on 3-4 March 2011.
- The draft budget was adopted by Council on 23 February 2011.
- The draft IDP was submitted to Council for noting on 30 March 2011.
- The final document was adopted on 13 April 2011.

### MEC'S comments

In the review of the IDP for the period of implementation 2010/2011, the Municipality received its comments from the MEC. The following issues were highlighted by the MEC and action undertaken has therefore been highlighted below. The Municipality has endeavored to attend to most issues. Due to financial constraints, not all matters were addressed, however, it is the Municipality's intention to address them within the current period of the IDP.

| KPA  | MATTER  |
|--|---|
| Municipal transformation and institutional development | The performance of your municipality on this key performance area can be enhanced through a clear indication of structures that have been set up and the level of participation of Umdoni Municipality in Intergovernmental Relations structures. You are also encouraged to indicate in your 2011/2012 IDP the available capacity to implement the IDP and the challenges in this regard.  |
| LED  | Since you adopted your LED Plan in 2005, you have undertaken sector-based investigations and participated actively in the provincial and district LED initiatives. However, there is limited evidence that these sector plans have been integrated into the IDP or used to update/review your LED Plan. Particular attention should also be paid to ensuring integration with the national and provincial economic development planning initiatives given the strategic location of your municipality along the N2 and in relation to major economic centres. |
| Basic service delivery and infrastructure              | There is evidence of some sector plans that have been prepared such as the Housing Sector Plan, however, improvement will be achieved through the preparation of sector plans such as the Waste Management Plan and Integrated Infrastructure Investment Plan and the subsequent integration of the sector plans into the IDP.  |
| Financial viability and management                     | You are encouraged to strengthen strategies for revenue enhancement, debt collection and control.   |
| Good governance and community participation            | You are advised to consider in your next IDP review issues such as customer/client satisfaction, building social cohesion and community mobilisation for self-drive. This will improve your planning and performance in respect of good governance and community participation.   |
| Spatial development framework                          | This section of the IDP could be enhanced through the formulation of a Strategic Environmental Assessment and a capital investment framework indicating spatial allocation of capital projects in relation to nodes, corridors and other strategic areas for intervention.  |

The MEC comments received by the Municipality were submitted through to Council and were further discussed at the Municipal Strategic Planning session and management meeting. To ensure that alignment of the MEC comments is undertaken and issues are addressed, a management response letter was submitted indicating the responsible person and timeframes, where applicable.

## Participation

The Municipality had an inclusive public participation process, internally and externally, whereby various meetings and sessions were held with officials and communities. These engagements were carried out while bearing in mind the local government elections that were to take place in May.

|                          |   |
|--------------------------|---|
| IDP Rep Forum meetings   | Meetings were held in preparation for this document on 29 October 2010, 7 December 2010 and 11 March 2011 |
| Mayoral Izimbizo         | Sessions were held from 16 November to 23 November 2010   |
| IDP Ward contact session | Sessions were held in each ward from 18 October 2010 to 12 November 2010                                  |
| MANCO meetings           | IDP is a standing item in all our MANCO meetings  |
| IDP Steering Committee   | The steering Committee meeting was held in preparation for the draft IDP on 18 February 2011.             |

The document was advertised for 21 days in March inviting comments from the public.

## Challenges

Although the strides made as a municipality are encouraging, many challenges are still being faced. In preparation of the document, the challenges were highlighted as indicated below:

- **Statistical data** – the official data that is used by Umdoni and most other municipalities is that of Stats SA. This has proved to be a challenge as the latest data we have is that of census 2001 or community survey of 2007. The Eskom household data has assisted greatly and has mainly been used for this document. The District's IDP has also been used as a source of statistics for this document. The difficulty in the availability of ward information within the recent statistics poses a challenge.
- **Community participation** – understanding the concept of the IDP by all the communities while contributing meaningfully to the development of the IDP, is still seen as a challenge. Many still do not understand the process, concept and the role to be played.
- **Alignment with the various institutions and government departments** – even though a few departments are coming on board and understanding that the IDP is a collective document, the majority of the departments are still not participating within these processes and their programmes are not represented within the plan. Certain departments, when presenting information, only present it at a district level with information depicting district statistics or programmes.
- **Effective implementation of the IDP** – because of the nature and complexity perception of the IDP, the Municipality has not fully mastered implementation. This was echoed by the political leadership at the Strategic Planning Session. There needs to be synergy between the planning and the implementation by departments.
- **Producing an IDP that is understood by all as a result of the compliance matters that have to be addressed by the Municipality as per CoGTA's credibility** – the document that is produced is often thick and therefore not necessarily reader-friendly as a number of annexures have to be appended to ensure compliance and to meet CoGTA's requirements.
- **Ownership of the IDP by all stakeholders.**
- **Translating the document into Zulu as the document is currently printed in English.**

## Municipal Turnaround Strategy

The Municipality drafted and adopted its Municipal Turn Around Strategy (MTAS). This is reviewed bi-annually, however, it is to be noted that budgetary constraints still pose a threat to the completion of some of the projects that were identified for the MTAS.

## Performance management

The Organisational Performance Management System that is reviewed in 2010/2011 is to be implemented during the 2011/2012 financial year. During the financial year under review, the Municipality adopted an SDBIP and an OPMS.

During the review, the following documents previously adopted were utilised, reviewed and adopted at a Special Council meeting held in April:

- PMS framework
- PMS policy
- Guidelines for appraisal committee
- 2011/2012 SDBIP
- 2011/2012 OPMS.

All Section 57 managers had their contracts prepared and signed. Four quarterly reviews were held within this financial year, in which the first and third quarter were submitted to the respective portfolio committees and bi-annual and annual performance reviews were conducted in one day – all the Councillors and Heads of Department were also invited.

Organisational Performance Management Systems are still experiencing great challenges with local government and Umdoni is no exception; however, it is an ongoing goal to achieve an improved efficiency in terms of performance management so as to better improve the monitoring and evaluation of service delivery within the Municipality. This has greater significance as performance will now be audited and will contribute largely to the Municipality obtaining a qualified or unqualified audit opinion. The Municipality is also preparing itself for 'Clean Audit' 2012.

## Local Economic Development

| PROGRAMME                | INITIATIVE  | ACHIEVEMENT  |
|--------------------------|---|--|
| Review of LED strategy   | The Municipality resolved to review its LED strategy and the Department of Economic Development and Tourism committed its services to assist Umdoni Municipality in reviewing its strategy. Stakeholder participation was extensive and workshops with both stakeholders and councillors were conducted | <ul style="list-style-type: none"> <li>• June 2011 – the strategy was presented to the Portfolio Committee and additions to the strategy included</li> </ul> |
|                          | Training (computer literacy). The training is a five-day basic computer literacy training funded by DED and the service provider is Esayidi FET College   | <ul style="list-style-type: none"> <li>• 17 SMMEs attended the training (January 2011)</li> </ul>  |
|                          | Seda – UGU<br>Seda provides business-related services e.g. business plans, due-diligence, promotional material, etc.  | To date, records show the following: <ul style="list-style-type: none"> <li>• 56 SMMEs have visited the office</li> </ul>                                    |
|                          | They operate a satellite office at Umzinto for an Umdoni SMME   | <ul style="list-style-type: none"> <li>• 16 SMMEs have applied for Seda services</li> </ul>  |
| Co-operative development | Training (basic business management skills). This is a four-week training course that is funded by DED and the service provider is Esayidi Coastal College  | <ul style="list-style-type: none"> <li>• 40 people attended</li> <li>• Eight co-operatives were trained (November 2008)</li> </ul>                           |
|                          | Training (money management). This is a one-day training course funded and facilitated by Old Mutual   | <ul style="list-style-type: none"> <li>• 30 co-operatives attended</li> </ul>  |
|                          | Formation of the Umdoni Burial Society. The project is facilitated by the National Association of Burial Societies of South Africa (NABSS). The organisation seeks to empower burial schemes through money management training, as well as access to finance.   | <ul style="list-style-type: none"> <li>• Six co-operatives at Umdoni Municipality have joined the (NABSS)</li> </ul>   |
|                          | Workshop on tourism awareness for the Umdoni Municipality Arts and Crafters Association. The project was facilitated jointly by Umdoni Municipality and the Department of Arts and Culture.   | <ul style="list-style-type: none"> <li>• 15 co-operatives (craft) attended (May)</li> </ul>  |

| PROGRAMME                | INITIATIVE   | ACHIEVEMENT   |
|--------------------------|--|---|
| Agricultural development | A nursery has been built at Umdoni Municipality Ward 8. The nursery was completed in June 2011. The project is funded by National Development Agency (NDA) and is facilitated jointly by Umzomowethu Secondary Co-operative of Ugu as well as Umdoni Municipality. The nursery is under the auspices of Umzamowethu                  | <ul style="list-style-type: none"> <li>The total project cost for the structure of the Umdoni Nursery is R117 000. Project is funded by National Development Agency.</li> <li>32 communal gardens will be beneficiaries of the nursery</li> </ul> |
|                          | Association of Co-operatives. The project has provided five employment opportunities   |   |
|                          | Launch of the Umdoni Agricultural Forum. The forum is a project initiated by Ugu, Department of Agriculture and Umdoni Municipality  | <ul style="list-style-type: none"> <li>All sectors in agriculture are well represented and the commercial farmers form part of the forum</li> </ul>   |
| Tourism development      | Training of emerging SMMEs in tourism. The training was on business skills in hospitality and culinary skills. The training was jointly facilitated by Umdoni Municipality, Department of Economic Development and Tourism (DEDT) and ZENAFRICA ( <i>Chief Academy of Food and Wine</i> ). Training was held from 8-11 February 2011 | <ul style="list-style-type: none"> <li>18 emerging SMMEs attended the one-week training held at Umzinto</li> </ul>  |
|                          | Workshops on tourism awareness, particularly for emerging SMMEs in the rural areas were held at Umdoni Municipality. The workshops were jointly facilitated by Umdoni Municipality and the Department of Economic development and Tourism (DEDT). Training was held on 8 July 2011   | <ul style="list-style-type: none"> <li>37 emerging SMMEs from rural wards attended the workshop</li> </ul>  |

## Rural Development Unit

A large part of our municipal area is made up of the rural communities with the urban component being concentrated mainly along the coastal belt. The unit is under-resourced as it is currently being serviced by one individual, namely the Community Development Officer.

## Alternative Energy Programme

The project started in the year 2006/2007 with only 1 000 beneficiaries, thereafter 1 000 households were added to the beneficiary list each year. The Umdoni Council resolved that all non-electrified areas within Umdoni Municipality should benefit from this project, including informal settlements and rural areas.

During this financial year, 1 000 new households benefited from this alternative energy project.

Areas and number of beneficiaries for 2010/2011 are depicted below:

| WARD         | AREA           | 2006/2007    | 2007/2008    | 2008/2009  | 2009/2010    | 2010/2011    |
|--------------|----------------|--------------|--------------|------------|--------------|--------------|
| Ward 1       | Mgobhozini     | 100          | 20           | Nil        | Nil          |              |
|              | Lwasini        | 100          | 10           |            |              | 90           |
| Ward 2       | Okhalweni      | 121          |              | Nil        | Nil          | 50           |
|              | Mgwempisi      | 115          | Nil          |            |              |              |
| Ward 3       | Roseville      |              | 186          | Nil        | Nil          | Nil          |
|              | Alexandra      | 100          | 66           |            |              |              |
|              | Mbetheni       | 200          | 20           |            |              |              |
|              | Kiss Kiss      |              | 86           |            |              |              |
| Ward 6       | Hazelwood      | 101          | 70           | Nil        | Nil          | Nil          |
|              | Sanathan       |              | 522          |            |              |              |
|              | NPA            | 163          | 20           |            |              |              |
| Ward 7       | Kelso Informal | Nil          | Nil          | 100        | Nil          | Nil          |
|              | C view         |              |              | 100        |              |              |
| Ward 8       | Beneva         | Nil          | Nil          | 130        |              |              |
|              | Phase 3        |              |              |            | 400          |              |
|              | Inkombo        |              |              |            |              | 115          |
|              | Mkhumbane      |              |              |            |              | 100          |
|              | Bongumbhele    |              |              |            |              | 85           |
| Ward 9       | Phase 2        | Nil          | Nil          | 100        | 600          | 355          |
|              | Entabeni       |              |              | 25         |              |              |
|              | D Zone         |              |              | 25         |              |              |
|              | Zwelisha       |              |              | 20         |              |              |
|              | Mafithini      |              |              |            |              | 55           |
|              | Magwaza        |              |              |            |              | 150          |
| <b>TOTAL</b> |                | <b>1 000</b> | <b>1 000</b> | <b>500</b> | <b>1 000</b> | <b>1 000</b> |

### Criteria used to select the beneficiaries

The main reasons the Umdoni Council embarked on this project is that the use of common fuels like paraffin and firewood is expensive, unsafe, time-consuming, and our communities in rural and informal settlements live below the poverty level. All households in rural and informal settlements without electricity benefit from this project irrespective of the level of income per household.

In order for the Municipality to develop a proper database for beneficiaries, the delegated municipal official works closely with the ward Councillor and ward committee. The ward Councillor and the municipal official are fully informed on all aspects of this project such as the budget, inhabitants of the relevant areas, and number of persons per household.

### Malangeni Skills Centre

Over the years, the Municipality has struggled to achieve and effectively operate the Skills Centre in Malangeni. A private service provider has subsequently been appointed through the open tender process.

Currently, training at the Centre is funded by the Construction Seta from which the service provider applied for funding. The conditions for the funding were that 60 learners were required to be trained in two of the three skills, namely, plumbing, carpentry and bricklaying/plastering. Out of the 60 learners, there are 30 unemployed learners who receive a monthly stipend of R 500 for the duration of the three-year course. There are 30 employed learners who do not receive this stipend.



BNZN successfully recruited 30 unemployed learners through a newspaper advert – they have now completed the theory work. Fifteen of the 30 unemployed learners doing bricklaying have been placed in the workplace for experiential learning within the Amandawe/Amahlongwa Rural Housing Project. The other 15 learners doing plumbing are still waiting to be placed in a workplace for practical experience.

The challenge with this housing project is that it does not accommodate plumbing learners. The Municipality had to renovate the Centre due to the dilapidated condition that the building was in. These renovations were done internally by the Umdoni Building and Maintenance Section and the work is 95% complete.

The service provider, together with the Municipality, is currently experiencing a challenge in recruiting employed learners. An advert is to be placed in the local newspapers inviting employers to release their employees to attend this training. The advert will emphasise the need and benefits of attending this course.

## Communal gardens

Umdoni Municipality has assisted 30 communal gardens during 2010/2011 financial year. These communal gardens are located in various rural wards. Some of the funds used to assist with these gardens was in the form of a grant from Old Mutual and the balance was budgeted for by Umdoni Municipality. Twenty-five out of the 30 communal gardens were assisted by Umdoni Municipality through the provision of a tractor to plough their gardens and a minimal payment of R 100 per hectare.

The Municipality has bought a disc plough to assist the communal gardeners to prepare the soil after the blade plough has been used in the gardens. Below is the list of communal gardens who were assisted with the tractor, seeds and other agricultural implements.

### Tractor usage

| NAME OF THE COMMUNAL GARDEN | WARD | HECTARE | DATE              |
|-----------------------------|------|---------|-------------------|
| Qhubekani                   | 9    | 1       | 19 July 2010      |
| Zethembe                    | 8    | 1       | 6 August 2010     |
| Bongumngoma                 | 8    | 1       | 10 September 2010 |
| Mafithini                   | 9    | 2       | 22 September 2010 |
| Mzomusha                    | 8    | 1.5     | 13 October 2010   |
| Sinombulelo Care Centre     | 1    | 1       | 19 October 2010   |
| Thuthukani                  | 2    | 1       | 27 October 2010   |
| Mzomusha                    | 8    | 1.5     | 29 October 2010   |
| Ubuhle be-Africa            | 4    | 1       | 10 November 2010  |
| Sizakancane                 | 2    | 2       | 28 October 2010   |
| Bambanani                   | 1    | 1       | 11 November 2010  |
| Zithuthukise                | 2    | 1       | 17 November 2010  |
| Mzomusha                    | 9    | 1.5     | 31 January 2011   |
| Bambanani                   | 9    | 2       | 11 April 2011     |
| Siyathuthuka                | 1    | 1       | 12 April 2011     |
| Simunye                     | 1    | 2       | 6 May 2011        |
| Sbongungwane                | 8    | 1       | 17 May 2011       |
| Sbongungwane (disc plough)  | 8    | 2       | 11 April 2011     |
| Church club                 | 1    |         | 1 June 2011       |
| Amabhubhu                   | 1    |         | 14 June 2011      |
| Asithembane                 | 2    | 1       | 21 June 2011      |
| Asithembane (disc plough)   | 2    | 1       | 22 June 2011      |

### Communal gardens assisted

| WARD   | NAME OF COMMUNAL GARDEN | TYPE OF ASSISTANCE                     | QUANTIFIABLE COSTS |
|--------|-------------------------|--|--------------------|
| Ward 1 | Vukuzenzele             | Seeds and tractor                      | R 1 660 + R 200    |
| Ward 2 | Sizakancane             | Seeds                                  | R 1 660            |
| Ward 3 | Siyavuna Zwanani        | Two water and their stands             | R 6 166            |
| Ward 8 | Bongungwane             | Two ha of land ploughed with a tractor | R 200              |

### Community-based planning pilot project in Umdoni

The Municipality, in partnership with the Department of Co-operative Governance and Traditional Affairs, and Gabhisa Planning and Investment, have been busy with a community-based plan piloted in Ward 4. This project aims at encouraging public participation and enabling local people to interact directly with all service providers. The project also enables locals to replicate the project to other wards within the Municipality without having to employ a service provider.

The community-based planning approach is not a panacea for all municipalities but is rather a critical intervention where it matters most in the ownership of development initiatives within a municipality. It thus minimises dissatisfaction of communities about what happens in their neighbourhoods, and maximises their opportunity for real partnership between municipalities, the communities and sector departments.

This approach does not undermine the strength and the purpose of the IDP and Sector plans but is rather a tool that support the IDP and Sector plans. It is thereafter incorporated into the IDP of the Municipality but can also stand as a document on its own.

The Municipality, the Department of Cooperative Governance and Traditional Affairs, and Gabhisa Planning and Investment had an inclusive public participation process, internally and externally. Various meetings and sessions were held with government officials and communities throughout the 2010/2011 financial year.

| ACTIVITIES AND COMMUNITY MEETINGS |               |                      |
|-----------------------------------|---------------|----------------------|
| Activity                          | Date          | Venue                |
| Introductory                      | 11 March 2011 | Umzinto Town Hall    |
| Inception meeting                 | 5 May 2011    | Amandawe Hall        |
| Community meeting                 | 8 June 2011   | Amandawe Hall        |
| Project Steering Committee        | 28 June 2011  | Amandawe Hall        |
| Community meeting                 | 8 August 2011 | Scottburgh Town Hall |

There is a project steering committee in place which is constantly consulted. The project will be finalised in the 2011/2012 financial year. Delays in the completion of this project in 2010/2011 were caused by the local government elections.

### Shared services in Umdoni

#### Development planning

The provincial government had proposed a development planning shared service in which the Municipality welcomed and signed the business plan together with the rest of the family of municipalities within the district. The Municipality is sharing this service with Vulamehlo Municipality.

A shared service Senior Planner was appointed on the 1 June 2010. The incumbent resigned on 27 September 2010. The Senior Planner is based at Umdoni for three days and in Vulamehlo for two, and the financial burden is then shared according to the number of days spent at a municipality. The financial year ended without the post being filled.

The Municipality also utilised the services of the PMS Specialist from the district as part of the shared service.

**Audit Committee**

Audit Committee is also a Shared Service between the District Municipality and its family of local municipalities. More information on this will be obtained under the Internal audit Report and the report of the Audit Committee Chairperson.

**Disaster management**

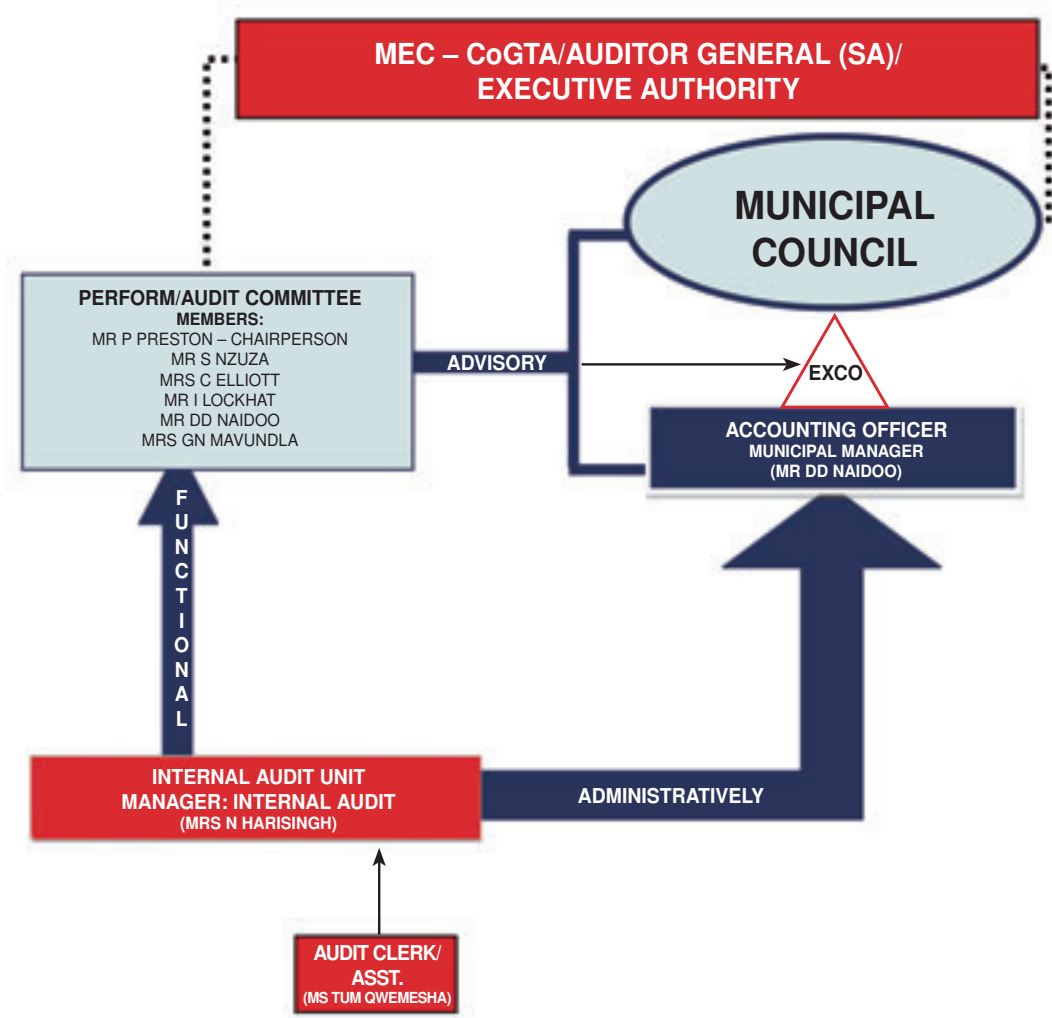
Disaster management within the Municipality is a shared service between the neighbouring local municipalities of Umzumbe and Vulamehlo. The Disaster Management Centre was completed and officially opened in 2009.

The following services are available:

- Fire fighting services
- Rescue services
- Fire prevention services
- Building plan inspection
- Control room 24-hours emergency operation
- Risk mitigation and prevention
- Disaster management awareness.

More support is required from the two neighbouring local municipalities Umzumbe and Vulamehlo on vehicle maintenance, staff, and buying of equipment.

**Internal Audit Section**  
**Structure of the Internal Audit and Reporting Protocol**



### Structure of the Audit Committee

Parallel to Section 165 Chapter 14 of the Municipal Finance Management Act (MFMA), Umdoni Municipality continues to sustain its own Internal Audit Section. As per legislative directives, the Unit is statutorily driven. The Audit Committee and the Internal Audit Section are governed by respective charters which are reviewed and adopted annually by Council. The Audit Committee reports directly to Council. The committee comprises six members, four of whom are external members who have been recruited via public tender. The members are Mr Paul Preston, who is the Chairman, Mr S Nzuza, Ms Chantelle Elliott and Mr I Lockhat. The other two members are part of Umdoni Municipality's senior management team, being the Municipal Manager, Mr DD Naidoo, and the General Manager: Corporate Services, Mrs GN Mavundla. The Manager: Internal Audit, Mrs N Harisingh, and the General Manager: Financial Services, Mr A Nunkumar, fulfill their roles as in-attendance at the Audit Committee as per the Audit Committee Charter. It must be mentioned that the Committee had to be re-constituted twice over the reporting period and this report now talks to the current Committee (also applicable to the Performance Audit Committee which is reported on below).

### Structure of the Performance Audit Committee

Council adopted the Audit Committee as its Performance Audit Committee. The first set of such meetings were held in 2008-2009, and continue to date. Legislatively, the Committee must sit twice for a financial year. Also, statutorily established under the auspices of the Charter of the Audit Committee serving as its Terms of Reference, the Performance Audit Committee continues to function with the Manager: Internal Audit, Mrs N Harisingh, and the Senior Manager Strategic Planning and Development, Ms B Jaca, fulfilling their roles as in-attendance at the Performance Audit Committee.

### Functions of the Internal Audit Section

The Section provides an independent, objective assurance and consulting function that adds value and improves the operations of the Municipality; it helps the Municipality to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and the governance process.

The Internal Audit Section utilises the standards as set by the Institute of Internal Auditors (IIASA) (a body which functions within a professional practice framework), the Standards of Best Practice of Internal Auditing which became effective on 1 January 2004, Version 5/3/2004. The Section has endeavoured to be very strong in its code of ethics.

### Deliverables and achievements

The year under review has brought about a myriad unexpected and unplanned events, primarily due to the cascading, overarching local government developmental priorities and deliverables. Municipalities, being the 'engine-room of local government', are entrusted with the task of implementation on the said priorities and deliverables.

It is therefore fitting to document the progression of the planned developments raised for attention in the year under review as indicated in the Annual Report 2009-2010, this being the departure point of the Internal Audit Section.

## Deliverables

| KEY PERFORMANCE AREAS: GOVERNANCE | SUB-PROGRAMME   | STRATEGY PROCESS  | OBJECTIVES STATUS REPORT   | STATUS REPORT  |
|-----------------------------------|---|---|--|--|
| Anti-fraud and corruption         | <ul style="list-style-type: none"> <li>• Anti-fraud corruption strategy</li> <li>• Fraud prevention plan – implementation</li> <li>• Awareness programme – internally and externally</li> </ul>     | <ul style="list-style-type: none"> <li>• To introduce detection controls in order to deter fraud on an ongoing basis</li> <li>• Implement fraud prevention plan</li> </ul>  | <ul style="list-style-type: none"> <li>• Ensure that fraudulent and corrupt activities be detected, reduced and prevented</li> <li>• Encourage and foster a conducive environment and ethical workforce</li> </ul> | <ul style="list-style-type: none"> <li>• Roll-out of strategy currently underway</li> <li>• MIA deals with issues of fraud and in conjunction with Corporate Services, deals with reports from the Presidential Hotline. Centralised fraud system currently being explored with District Municipality</li> <li>• Included in each S57 performance contract</li> </ul>  |
| Risk management                   | <ul style="list-style-type: none"> <li>• Risk Management Officer</li> <li>• Risk Management Committee</li> <li>• Risk management policy and strategy</li> <li>• Risk management training</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure that preventative measures are in place to minimise and mitigate risk on an ongoing basis</li> <li>• Inculcate a culture of risk management and control</li> </ul> | The Municipality must endeavour to reach a break-even point between risk and control to establish a conducive environment  | <ul style="list-style-type: none"> <li>• Risk Management Committee (RMC) has been established</li> <li>• Empowerment, awareness and roll-out programmes are currently being arranged</li> <li>• GMFS and MIA deal with issues of risk in conjunction with the newly established RMC. Centralised RMO is presently being explored with DM</li> <li>• RMC must meet regularly. Management must attend to Risk Registers and manage same</li> <li>• Included in each S57 performance contract</li> <li>• The possibility of procuring a risk profiling system must be explored</li> </ul> |
| Internal audit                    | Annual Internal Audit Plan 2010-2011  |   |  | IT – funding issues. PT assistance in FY 2010-2011. SITA and Corporate Services to finalise negotiations and obtain clearance for audit to proceed   |

## Risk assessment

A risk-based audit plan, which spans a three-year period, has been adopted. Subsequent to an annual revision of the risk assessment register, an Annual Audit plan is collated. Risks are prevalent and rife. Risk is addressed in the following categories: operational; strategic; informational; financial; legislative and social, and is monitored on a low, medium and high rating scale. A Risk Management Committee (RMC) has been established. The Annual Internal Audit Plan for Financial Year 2010-2011 has been primarily informed by the risk profiling process.



### Audit plan 2010-2011: Internal Audit projects

Internal Audit projects were planned and executed as follows:

| ASSIGNMENT   | PRO-<br>GRESS<br>30<br>JUNE | JUL<br>2010 | AUG<br>2010 | SEP<br>2010 | OCT<br>2010 | NOV<br>2010 | DEC<br>2010 | JAN<br>2011 | FEB<br>2011 | MAR<br>2011 | APR<br>2011 | MAY<br>2011 | JUN<br>2011 |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 Risk Assessment (Review) and Audit Plan                            | 100%                        |             |             |             |             |             |             |             |             |             |             |             |             |
| 2 Review of performance management system                            | 100%                        |             |             |             |             |             |             |             |             |             |             |             |             |
| 3 Follow-up – procure to pay, SCM                                    | 85%                         |             |             |             |             |             |             |             |             |             |             |             |             |
| 4 Follow-up: M & E - Disaster Rehabilitation Programme               | 45%                         |             |             |             |             |             |             |             |             |             |             |             |             |
| 5 IT review/assessment   | 75%                         |             |             |             |             |             |             |             |             |             |             |             |             |
| 6 M & E: additional legislation: Compliance with current legislation | 95%                         |             |             |             |             |             |             |             |             |             |             |             |             |

#### Key:

External service provider to assist (support – Financial and Operational from PT) Report to Performance Audit Committee Internal Audit (in-house)

### Audit Report 2009-2010: Plan of Corrective Measures

The Internal Audit Unit was tasked with the responsibility of monitoring and evaluating the adherence of the Action Plan stemming from the Plan of Corrective Measures for the Audit Report 2009-2010 (A-G), including matters arising from the Management Report 2009-2010(A-G). All matters were successfully attended to.

| REGULARITY AUDIT         |      |  |  |                 |              |  |
|--------------------------|------|--|--|-----------------|--------------|--|
| Category                 | Ref. | Findings   | Action plan  | Person respons. | Due date     | Status update May 2011   |
| Unauthorised expenditure | 10   | As disclosed in note 36 to the financial statements, unauthorised expenditure to the amount of R 12 307 million was incurred, as the total budget was exceeding                | This unauthorised expenditure was as a result of two predominate factors: 1) Non-cash deprecation being higher than budgeted. 2) Transfer of the disaster management grant of R 7.8 million to Ugu for the Park Rynie industrial park. However, to avoid a re-occurrence of this matter in respect of operational items, the weekly unauthorised expenditure reports will be issued to MANCO and amended to include a 'response from responsible HOD' column | GMFS (MBC)      | 30 June 2011 | Such reports have been included in May MANCO, with the relevant HOD requiring to report at the meeting |
| Irregular expenditure    | 11   | As disclosed in note 36 to the financial statements, irregular expenditure to the amount of R 218 027 was incurred, as supply chain management regulations were not adhered to | The root causes of the irregular expenditure have been identified and additional control measures have been developed. The quarterly reporting to Council will be augmented to include monthly reporting to MANCO and monthly reporting to F an A is being considered. Further, HODs shall be required to sign off on all monthly reports to ensure accuracy and completeness.   | GMFS, all HODs  | March 2011   | This will be included in the monthly reports as from June 2011   |

**REGULARITY AUDIT**

| Category  | Ref. | Findings   | Action plan  | Person respons. | Due date       | Status update May 2011  |
|---|------|--|--|-----------------|----------------|---|
| Unauthorised expenditure                                | 20   | The accounting officer did not take steps to prevent unauthorised expenditure as required by section 62(1)(d) of the MFMA  | The accounting officer has implemented steps, e.g. annual verification of unauthorised expenditure by HODs and budget workshops, however, additional control measures will be implemented as detailed in the point above <ref 10>  | GMFS: all HODs  | March 2011     | <Ref 10>  |
| Irregular expenditure                                   | 21   | Irregular expenditure as defined in Section 1 of the MFMA, was incurred due to non-compliance with Section 12 of the Municipal Supply Chain Management Regulations relating to procurement processes   | Reference to the second point above <ref 11> for the detailed response   | GMFS: all HODs  | March 2011     | <Ref 11>  |
| Unauthorised expenditure                                | 22   | Contrary to the requirements of Section 122(1)(a) of the MFMA, the Municipality made material adjustments to the Annual Financial Statement that was submitted for audit. These misstatements related to the disclosure of unauthorised expenditure and expenditure incurred in terms of section 36 of the Municipal Supply Chain Management Regulations | The measures in effect in the previous financial year did not identify these areas of unauthorised expenditure. The additional controls implemented in terms the above <ref 10> shall prevent a re-occurrence. The matters relating to Section 36 are as a result of interpretation differences of the Supply Chain Regulations. Now that the areas of ambiguity have been resolved, this matter shall not be repeated | GMFS: all HODs  | 30 June 2011   | This matter was a once off occurrence and shall not be repeated   |
| Risk assessment   | 23   | A risk assessment was not prepared by the Municipality in terms of section 62(1)(c)(i) of MFMA   | In line with the phased-in approach of risk management within Umdoni, the 2009/2010 year risk register was developed after a review of the previous year's risk register. With the establishment of a risk management committee, this risk register is currently undergoing a <i>de novu</i> review to ensure it meets the current needs of the Municipality. This shall be completed for the 2010/2011 financial year | GMFS: all HODs  | Once-off event | All aspects of the risk register are complete except for the IT risk assessment, which is currently underway                                    |
| Tabled budget not accompanied by performance objectives | 24   | The budget of the Municipality was not tabled with measurable performance objectives for revenue as required by Section 17(3)(b)   | The budget for the 2010/2011 financial year has been prepared with the IDP and SDBIP in mind. The performance objectives permeate these documents in the year 2010/2011  | GMFS (MBC)      | 1 July 2010    | The budget for the 2011/2012 year has been completed. The measurable performance objectives shall be finalised with the completion of the SDBIP |
| Irregular and unauthorised expenditure                  | 27   | The accounting officer has exercised oversight responsibility over reporting and compliance with laws and regulations and internal control, however, the controls in the area of irregular and unauthorised expenditure has been noted to be weak and needs immediate attention  | Additional controls to mitigate the resurgence of this matter has been detailed in the points above <ref 10, ref 11>   | GMFS: all HODs  | March 2011     | <Ref 10, Ref 11>  |

## REGULARITY AUDIT

| Category                    | Ref. | Findings  | Action plan   | Person respons. | Due date     | Status update May 2011                |
|-----------------------------|------|---|---|-----------------|--------------|---------------------------------------|
| Non-compliance and accuracy | 28   | The financial statements were not sufficiently reviewed for accuracy and compliance before submission for audit | This statement is due to the adjustments processed in relation to irregular, fruitless and unauthorised expenditure. Due to the additional identification methods implemented, the additional disclosure required in the 2009/2010 year will not re-occur | GMFS            | 30 June 2011 | This matter is not deemed to re-occur |

## PERFORMANCE AUDIT

|                                  |    |  |   |  |              |  |
|----------------------------------|----|--|---|--|--------------|--|
| Municipal Systems Act            | 16 | There was no community participation in the review of appropriate key performance indicators and targets as required by Section 42 of the Municipal System's Act   | The indicators and targets were presented in the IDP Rep Forum that was held on 11 March 2011, and the IDP will also be advertised for public comments where indicators and targets will be part of the document                                    | OMM (Snr. Man. Strategic Planning and Development) | 30 June 2011 | This is achieved through the IDP participation as the indicators and targets are part of the IDP |
| Municipal Finance Management Act | 17 | <p>Section 53(1)(c)(ii) of MFMA requires that the Municipality's service delivery budget implementation plan is approved by the mayor within 28 days of the approval of the budget. This section was not complied with. Usefulness of reported performance information. The following criteria were used to assess the usefulness of the planned and reported performance:</p> <p><b>Consistency:</b> has the Municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?</p> <p><b>Relevance:</b> is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?</p> <p><b>Measurability:</b> are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?</p> | The Municipality will again ensure compliance for 2011/2012 as we had complied for 2010/2011 and as the SDBIP will be adopted within 28 days of the adoption of the budget. The strategic plan session has transpired on the 3rd and 4th March 2011 | OMM (Snr. Man. Strategic Planning and Development) | 30 June 2011 | Compliance achieved. SDBIP approved on time  |



# PERFORMANCE AUDIT

| Category                                      | Ref. | Findings   | Action plan   | Person respons.                                    | Due date     | Status update May 2011  |
|---|------|--|---|--|--------------|---|
| Reported performance information not reliable | 18   | <p>Indicators/measures do not have clear, unambiguous definitions to allow for data to be collected consistently.</p> <p>Reliability of reported performance information.</p> <p>The following criteria were used to assess the reliability of the planned and reported performance:</p> <p><b>Validity:</b> has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?</p> <p><b>Accuracy:</b> amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately</p> <p><b>Completeness:</b> all actual results and events that should have been recorded have been included in the reported performance information</p> | Will endeavour for compliance in the 2011/2012 financial year | OMM (Snr. Man. Strategic Planning and Development) | 30 June 2011 | We might not achieve 100% compliance but progress has been made for 2011/2012 as we endeavour compliance  |
|   | 24   | The budget of the Municipality was not tabled with measurable performance objectives for revenue as required by section 17(3)(b)   | Will endeavour for compliance in the 2011/12 financial year   | OMM (Snr. Man. Strategic Planning and Development) | 30 June 2011 | In the current IDP (2012/-2015/16) we have endeavoured to consult eThekweni Metro on the best way to ensure alignment. We now have a template that we will be using that is aligning the objectives and the budget and projects |

## Challenges

Local government has a significant role to play in Government's responsibility to provide services to stakeholders. The accounting and auditing profession can assist beyond Financial Statement audit and advice and make a meaningful impact on the Municipality and the quest to better deliver against the service promise. Stakeholders are placing more emphasis on measurable objectives and outcomes, including the President, Cabinet, parliament, MECs and other municipal councils.

The attainment of Umdoni's third consecutive Unqualified Audit Report indicates that Umdoni is on the correct path to achieve deliverables for the 'Clean Audit 2014', as earmarked for Umdoni 'Clean Audit 2012'. The resultant Audit Report is now being utilised as a primary yardstick and benchmarking tool to assess the Municipality's administrative capacity and performance competency. The challenge is indeed performance management (PMS) as a whole.

The Auditor-General's current strategy of issuing an audit opinion on performance information to management for the year ended 30 June 2012 and including such a report for Umdoni Municipality in 2012 (medium capacity), is certainly increasing the urgency of the Municipality to assess the current situation and improve the system.

Internal Audit attends to performance reporting and its verification processes. The phased-in approach has revealed a number of issues which, if corrected and improved, will place the Municipality in a better position not only to report on performance against pre-determined objectives, but to take timely corrective action in such areas where non-achievement prevails with regard to the service mandate. Some issues identified for the year under review are as follows:

- an ineffective and inefficient system of internal controls to determine, collect, analyse, verify and report performance;
- Key Performance Indicators (KPIs) don't meet the 'SMART' criteria as set by National Treasury in the Framework for Reporting Programme Performance issued in May 2007;
- inconsistent reporting between annual business plan, monthly reports, quarterly reports and annual reports; and
- a lack of supporting evidence regarding actual performance reported or evidence that shows differences between performance reported and that of supporting documentation.

The above will enable all stakeholders and communities to gauge and measure the performance of the Municipality in supplying services to its constituencies, however, in the absence of such accountability, it cannot be questioned.

The benefits of the PMS must not be underestimated. A credible OPMS is crucial for the Municipality to meet its mandate and provide the added incentive of obtaining an unqualified performance information audit report. Improving performance, therefore, starts with improved performance reporting.

It is hoped that the new financial year (2011-2012) will address all such identified shortcomings with a direct responsibility of performance competencies.

## Municipal strategy

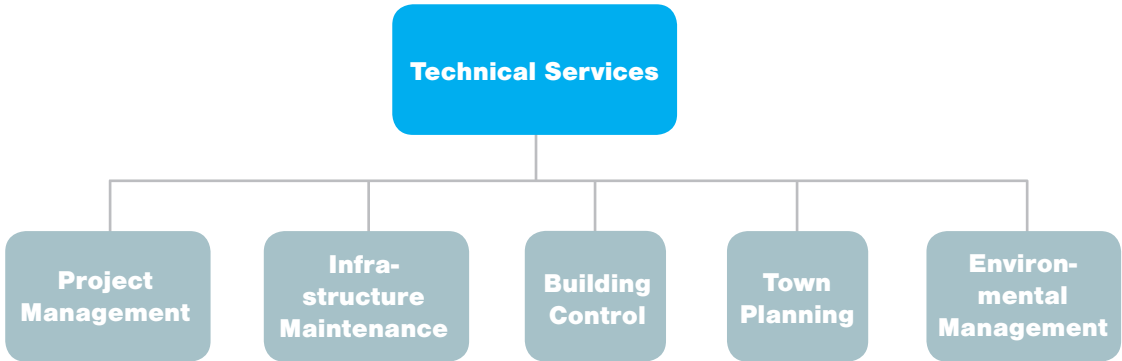
It is believed that self-isolation is unsustainable in a transitional environment and it is therefore in support of our Municipal Manager in delivering our constitutional and statutory duties, that the Section fulfils this mission by primarily adopting the following strategy for the 2010-2011 financial year:





| KEY PERFORMANCE AREAS                            | SUB-PROGRAMME   | STRATEGY PROCESS   | OBJECTIVES  |
|--|---|--|---|
| Financial viability<br>(Audit Report)            | Maintenance of an unqualified Audit Report  | Monitor and evaluate all action plans. Ensure that all internal controls are in place  | Ensure sustainability of the unqualified status   |
| Governance<br>(anti-fraud corruption)            | <ul style="list-style-type: none"> <li>• Anti-fraud Corruption Strategy</li> <li>• Fraud Prevention Plan - implementation</li> <li>• Awareness Programme – internally and externally</li> <li>• Presidential Hotline</li> </ul>   | <ul style="list-style-type: none"> <li>• To introduce detection controls in order to deter fraud on an ongoing basis</li> <li>• Implement Fraud Prevention Plan</li> </ul>   | Ensure that fraudulent and corrupt activities be detected, reduced and prevented.<br>Encourage and foster a conducive environment and ethical workforce   |
| Governance<br>(risk management)                  | Risk Management Strategy and Risk Management Committee  | <ul style="list-style-type: none"> <li>• To ensure that preventative measures are in place to minimise and mitigate risk on an ongoing basis.</li> <li>• Inculcate a culture of risk management and control</li> </ul>                     | The Municipality must endeavour to reach a break-even point between risk and control to establish a conducive environment   |
| Governance<br>(policies, procedures and systems) | <ul style="list-style-type: none"> <li>• Monitor and evaluate progressive development of the Policy and Procedure Register</li> <li>• Compliance with policies and procedures</li> </ul>  | <ul style="list-style-type: none"> <li>• Ensure the formulation and adoption of policies and procedures</li> <li>• Ensure processes in place to acquire systems</li> </ul>   | <ul style="list-style-type: none"> <li>• To ensure the development of and compliance with policies and procedures and to maintain the Register.</li> <li>• Inculcate a culture of compliance and to maintain an enabling/sustainable register</li> </ul>                        |
| Governance<br>(M & E – action plans)             | <ul style="list-style-type: none"> <li>• Monitor and evaluate progressive implementation of Plan of Corrective Measures for Regularity Audit.</li> <li>• Monitor and evaluate progressive implementation of Plan of Corrective Measures for Performance Audit.</li> <li>• Implementation of Audit Process Plan and timetable</li> </ul>       | <ul style="list-style-type: none"> <li>• Monitoring and evaluation, implementation of plan of corrective measures emanating from audit reports (a-g and other).</li> <li>• Successfully implemented plan of corrective measures</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure the compliance with Plan of Corrective Measures.</li> <li>• Inculcate a culture of compliance and to maintain an enabling/sustainable working environment</li> </ul>   |
| Governance<br>(oversight role: co-ordination)    | Co-ordinate meetings: <ul style="list-style-type: none"> <li>• SCOPA</li> <li>• Audit Committees</li> <li>• Performance Audit Committee</li> <li>• Audit Steering Committee</li> </ul> Implement Annual Internal Audit Plan.<br>Assessment for: <ul style="list-style-type: none"> <li>• Internal Audit</li> <li>• Audit Committee</li> </ul> | <ul style="list-style-type: none"> <li>• Oversight roles</li> <li>• Legislative requirements</li> <li>• Batho Pele principles</li> </ul>   | <ul style="list-style-type: none"> <li>• To foster meaningful relations with all communities in the affairs of the Municipality and to eradicate unethical behaviour</li> <li>• Inculcate a culture of transparency and meaningful relations and unethical behaviour</li> </ul> |

# Technical Services Department



Technical Services is responsible for ensuring the provision of basic services to the people in the Umdoni area. There are numerous services, and service levels that can be provided, but the most important are listed below.

- Environmental Management
- Building Control
- Town Planning
- Project Management
- Parks and Gardens
- Refuse Removal
- Roads and Stormwater
- Building Maintenance
- Workshop.

The Department is responsible for implementation and monitoring of Municipal infrastructure as a core function. The overall aim is to improve the quality of life of all communities in Umdoni, particularly the poorest without compromising an ability to operate and maintain services already provided. Probably the most important is the 'level' at which the service is provided.

Umdoni Municipality has yet again been extremely successful at spending its full Municipal Infrastructure Grant allocation.

| PROJECT NAME                  | MIG VALUE   | 2010/2011   |
|-------------------------------|-------------|-------------|
| Amandawe Sportsfield          | R 3 604 292 | R 3 604 292 |
| Ghandhinagar Sportsfield      | R 2 780 000 | R 2 780 000 |
| Humberdale Cemetry Phase 2    | R 4 431 314 | R 4 431 314 |
| Malangeni Sportsfield Phase 2 | R 744 900   | R 744 900   |
| Olwasini Sportsfield          | R 4 028 609 | R 4 028 609 |

## Capital projects

### Municipal Infrastructure Grant (MIG)

#### Humberdale Cemetery

Phase 2 of the Humberdale Cemetery commenced on 22 January 2009. The scope of work in Phase 2 was the bulk earthworks, construction of internal gravel roads, fencing and building of the prayer altar, office block and ablution facilities, all of which have been completed. The total value of Phase 2 of Humberdale Cemetery is R 4 431 314.



#### Ghandhinagar Sportsfield

Phase 1 of the Ghandhinagar Sportsfield has been completed. The scope of work in Phase 1 was the construction and grassing of the soccer field, open V-drains, concrete public seating, athletes' change rooms with showers and ablutions, and public ablution facilities. The project has attained a state of practical completion with a one-year defects and liability period. The total value of the project is R 2 780 000.



### **Amandawe Sportsfield**

Construction of the Amandawe Sportsfield commenced in June 2009. The resulting delay in the completion of the project was due to the contractor's slow work rate and non-adherence to the Programme of Works. The project has attained a state of practical completion with a one-year defects and liability period. The total value of the project is R 3 604 292.



### **Olwasini Sportsfield**

Construction of the Olwasini Sportsfield commenced in June 2009. Delays were experienced as a result of claims that ancestral graves existed on the site. This was resolved by conducting archeological tests and seeking the intervention of the Traditional Authority. The project has attained a state of practical completion with a one-year defects and liability period. The total value of the project is R 4 028 609.



### **Internal Funding**

#### **Construction of the Kwa-Cele Community Hall**

Construction on the Kwa-Cele Community Hall in Ward 2, commenced on 10 February 2011 and shall be completed on 7 November 2011. The anticipated date of practical completion is 24 October 2011 with landscaping being completed on 7 November 2011. The hall is 468 m<sup>2</sup> in extent with an entrance porch, raised stage with changerooms, male and female ablutions, kitchen, enclosed courtyard, asphalted parking area, concrete palisade fencing and external lighting. The total construction value is R 5 241 068.





#### **Construction of the Social Development offices in Umzinto**

Construction of the Social Development Offices commenced on 6 April 2011 with the contractual completion date of 6 April 2012. The construction programme has been accelerated and the anticipated date of practical completion is 15 December 2011. The total extent of the double storey office block is 1 141 m<sup>2</sup> and will comprise an entrance porch, entrance foyer, open plan offices, individual offices, sick bay, staff ablutions, public ablutions, lock-up garages, asphalted driveway and landscape gardens. The total construction value is R 11 250 500.



#### **Construction of the Commemorative Park in Umzinto**

To commemorate the 150th anniversary of the arrival of indentured labourers of Indian descent to South Africa, Umdoni Municipality constructed a Commemorative Park in Ward 3, Umzinto. The edges of the park are defined with facebrick columns and galvanised palisades. Internally, the area has been landscaped with cobble paving, indigenous vegetation and precast concrete benches. As a focal point, a granite statue of an indentured labourer was installed centrally. The total construction cost, inclusive of the statue, is R 570 000.





### Flood disaster rehabilitation projects

Originally there were 109 projects registered under this programme. This was increased to 111 projects due to the inclusion of two prioritised projects, namely:

- Umzinto CBD Refurbishment Project;
- upgrading of rural roads, including provision of concrete and asphaltting to road surfaces where required.

The table below is illustrative of the current status of the projects for the second quarter of 2011.

| CATEGORY                                | NO PROJECTS     |                |
|---|-----------------|----------------|
|   | PREVIOUS REPORT | CURRENT REPORT |
| Projects on hold                        | 0               | 0              |
| Awaiting design report                  | 1               | 1              |
| Tender stage                            | 0               | 0              |
| Awaiting bid evaluation recommendations | 0               | 0              |
| Awaiting bid adjudication award         | 0               | 0              |
| Hand over of site to contractor         | 0               | 0              |
| Work in progress                        | 14              | 10             |
| Practical completion                    | 14              | 11             |
| Completed                               | 82              | 89             |
| <b>Total</b>                            | <b>111</b>      | <b>111</b>     |

| PROJECT CODE | AREA        | CLOSE OUT REPORT | CONSULTANT    | CONTRACTOR               |
|--------------|-------------|------------------|---------------|--------------------------|
| KZ212 Pen 4  | Pennington  | ✓                | SRK           | Akoyiswa                 |
| KZ212 Gha    | Ghadinagar  |                  | TGC Engineers | Amandla                  |
| KZ212 Pen    | Pennington  | ✓                | SRK           | Akoyiswa                 |
| KZ212 PR 1   | Park Rynie  | ✓                | SBA           | Embie Civils             |
| KZ212 Umz 6  | Esperanza   |                  | UWP           | Building Generation      |
| KZ212 RR3    | Rural Roads | ✓                | TPA           | Aqua Transport           |
| KZ212 Umz NP | Umzinto CBD |                  | SRK           | Sanyati                  |
| KZ212 Sez 1  | Sezela      | ✓                | Ngcolozi      | Margate Construction     |
| KZ212 Mal 18 | Malangeni   | ✓                | Ngcolozi      | Bhekibeko Construction   |
| KZ212 Mal 34 | Malangeni   | ✓                | Ubuntu        | Competition Construction |
| KZ212 Umz 11 | Malangeni   | ✓                | Ubuntu        | Barleda                  |
| KZ212 PR17   | Park Rynie  | ✓                | Ngcolozi      | Margate Construction     |

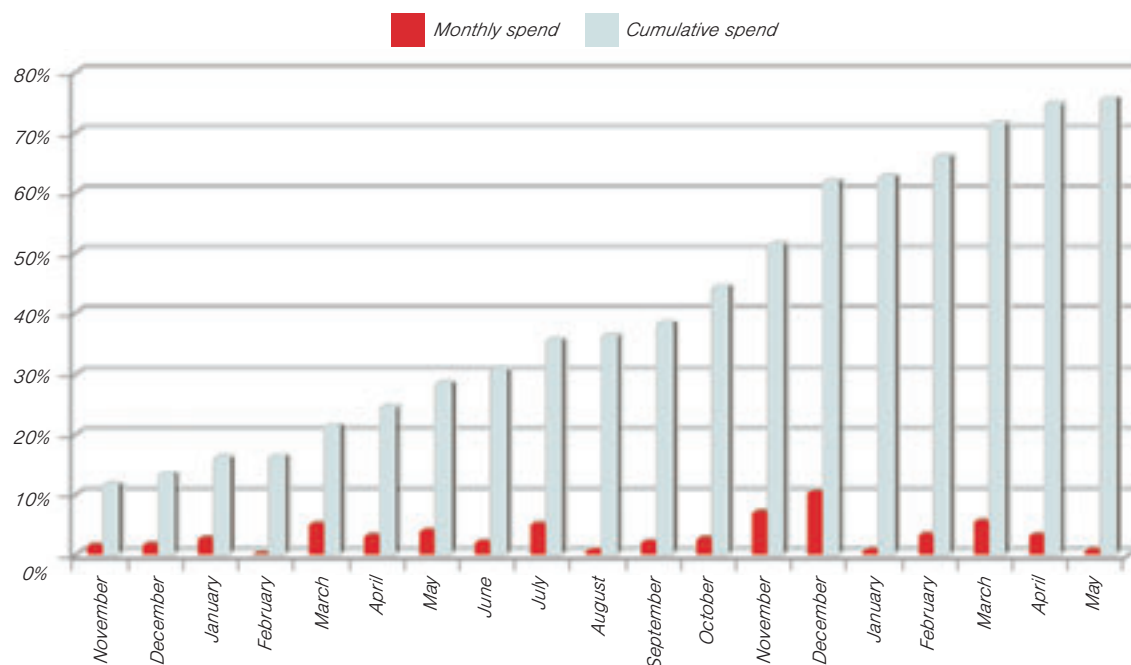
The table above indicates the flood disaster projects with their associated contractors and consultants that have been audited for the month of July 2011. Audit Reports have been sent to the Department of Agriculture Environmental Affairs and Rural Development. Non-compliance issues have been noted on certain sites, site instructions have been issued and these issues are currently being addressed. The environmental control officer will conduct follow-up site investigations to ensure that the non-compliance issues that were raised will be dealt with in an appropriate manner.

### Employment of local labour

A total of 1 010 were employed thus far: 717 male and 293 female. The local labour was drawn from the ward in which the project was undertaken.

### Finance

The graph below illustrates current monthly and cumulative spend to date.



During the period up till May the cumulative spend amounted to R 314 877 383. Percentage spent to date = 83%.

**PENNINGTON**  
**KZ 212 PEN 6 Cherry Lane**

This project entails remedial works to the existing box culvert with the construction of gabion walls and reconstruction of the 3,5 m wide gravel access road with concrete grass blocks. The contract was originally awarded to Kwenzokhule Construction but they were dismissed for non-performance. BP and M Construction has since been appointed to complete the project. The total cost of the project is R 685 208. The overall progress on the project is 40% complete.



**SCOTTBURGH**  
**KZ 212 Scott 13 TC Robertson**

This project entails rehabilitation works to the TC Robertson Nature Reserve in Scottburgh. Remedial works were undertaken on the stormwater infrastructure, gravel access road, the existing public ablutions and storeroom. A cattle grid was installed on the partially asphalted access way, desalination of the dam and construction of game fencing. Bhekimbeko Business Enterprise, a women-owned and operated company, has been awarded this project. The total value of this project is R 1 550 026. The overall progress on the project is 95% complete.



**PARK RYNIE**  
**KZ 212 PR 2 Marine Drive South**

Marine Drive South, Park Rynie, entails the reconstruction of the road with new kerb and channelling, stormwater infrastructure, sub-soil drainage, layer works and asphaltting. Mtitinywa Construction has been awarded this project. The total value of this project is R 2 651 464. The overall progress on the project is 2% complete.





**KZ 212 PR 5CD (5, 9, 10, 16)**

PR 5CD is the rehabilitation of all asphalted streets and avenues in Park Rynie. Remedial works were carried out on existing stormwater infrastructure, kerbs and channelling and all roads were asphalted. This project was awarded to Siva Pillay Construction. The total value of this project is R11 715 595. The overall progress on the project is 95% complete.



**BAZLEY**  
**KZ 212 Baz 1**

This project is the upgrade of Reservoir Road in Bazley from gravel to asphalt. The road is approximately 4,8 m wide with kerbs and channelling and stormwater infrastructure. Marlisha Transport has been appointed to undertake this project. The total cost of the project R 1 005 962. The overall progress on the project is 98% complete.



**UMZINTO**  
**KZ 212 UMZ 11 Umzinto Main Road**

This project relates to the remedial works on the southern portion of the Umzinto Main Road. The activities in this project involved the construction of a 2 m diameter concrete culvert, layer works, kerbing and channelling and asphaltting. This project was awarded to Barleda Plant and Civils. The total cost of the project was R 7 778 646. The overall progress on the project is 100% complete.



**KZ 212 NP 1 – Stormwater rehabilitation in Asoka Heights**

This project involves the rehabilitation of the existing stormwater infrastructure in Asoka Heights to reduce the risk of future flooding. The existing 450 mm and 600 mm diameter pipes will be replaced by 600 mm and 900 mm diameter pipes, and remedial work to the kerbs, manholes and inlets will be done. This project was awarded to Thebela Trading Enterprise. The total cost of the project is R 630 688. The overall progress on the project is 70% complete.



**RURAL ROADS**

**KZ 212 RR 1A – rural roads in Amahlongwa**

This project was the upgrade of numerous gravel roads and the installation of stormwater infrastructure in the Amahlongwa Area. Most of these roads were rendered non-existent after the flood disaster. This project was awarded to Competition Construction CC. The total value of this project is R 4 392 149. The overall progress on the project is 100% complete.



**KZ 212 RR 1C – rural roads in Amandawe, Amahlongwa and Kwa-Cele**

This project involves gravel upgrades to existing roads, construction of concrete roads, asphaltting Gqaynyanga Road, installation of stormwater infrastructure, kerbing and channelling. These works span the areas of Amandawe, Amahlongwa and Kwa-Cele. This project was awarded to Barleda Plant and Civils. The total value of this project is R 11 516 806. The overall progress on the project is 97% complete.





## Building Control Section

This section strives to ensure that the public has a clear understanding of all processes and procedures that need to be complied with in the Building Control Department. The legislation is stringent but needs to be enforced in the process for approving building plan applications. As per national building regulations, building plan applications for developments below 500 m<sup>2</sup> are to be assessed within 30 days, while developments exceeding 500 m<sup>2</sup> are to be assessed within 60 days.

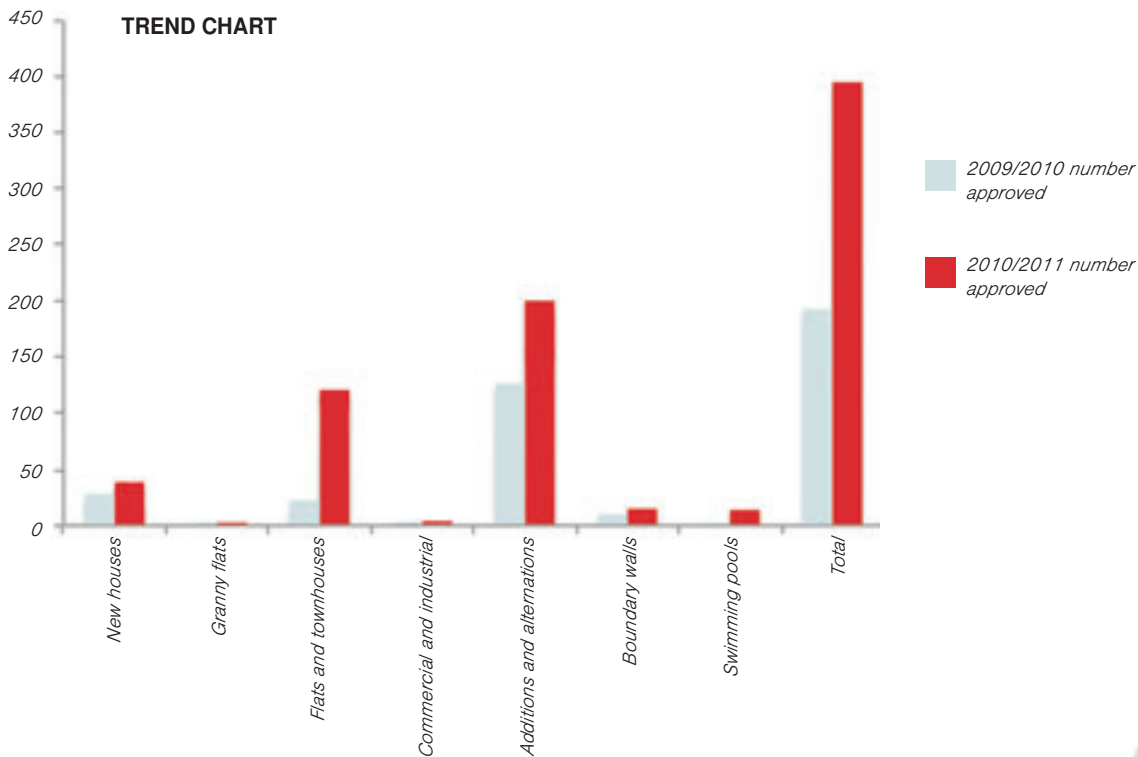
Any building application is approved with cognisance taken of the following legislation:

- The National Building Regulations and Building Standards Act (No. 103 of 1977) as amended
- The Umdoni Town Planning Scheme in the Course of Preparation
- National Environmental Management Act
- Municipal by-laws and policies
- Competent persons registered with statutory bodies.

### Building applications

- The submission of building applications for the period July 2010 to June 2011 has averaged 28 plans per month.
- A total of 287 applications were submitted for approval from July 2010 to June 2011.
- A total of 265 applications were approved in the 2010/2011 financial year, however, these plans included older submissions.

| DESCRIPTION               | 2009/2010<br>NUMBER<br>APPROVED | RAND VALUE<br>2009/2010 | 2010/2011<br>NUMBER<br>APPROVED | RAND VALUE<br>2010/2011 |
|---------------------------|---------------------------------|-------------------------|---------------------------------|-------------------------|
| New houses                | 28                              | R 28 356 500            | 39                              | R 53 672 180            |
| Granny flats              | 2                               | R 650 600               | 1                               | R 240 000               |
| Flats and townhouses      | 22                              | R 117 090 000           | 121                             | R 71 171 000            |
| Commercial and industrial | 3                               | R 11 800 000            | 4                               | R 17 084 000            |
| Additions and alterations | 127                             | R 26 525 715            | 201                             | R 31 643 652            |
| Boundary walls            | 10                              | R 1 071 000             | 15                              | R 1 717 500             |
| Swimming pools            | 1                               | R 65 000                | 14                              | R 690 000               |
| Total                     | 193                             | R 185 558 815           | 395                             | R 176 218 332           |



| BUILDING WORKS COMPLETED FROM JULY 2010 TO JUNE 2011 |                  |                     |
|--|------------------|---------------------|
| Description  | Number completed | Rand value          |
| New houses, flats and townhouses                     | 43               | R 37 333 479        |
| Commercial and industrial                            | -                | -                   |
| Additions and alterations                            | 32               | R 8 231 815         |
| <b>Total</b>   | <b>75</b>        | <b>R 45 565 294</b> |

### Notices issued for contraventions

Building Control has issued a total of 466 notices throughout Umdoni Municipality for:

- Illegal building works
- Deviation from approved building applications
- Illegal usage
- Encroachments.

### Encroachments onto Council-owned property

Building Control, in terms of Section 214 of the Local Authorities Ordinance 25 of 1974 and Section 10.1 of the National Building Regulations and Building Standards Act (No. 103 of 1977) as amended, processes applications for encroachments from street projections, street overhangs, street furniture, etc. Together with the Town Planning Section, the Building Control Section will be embarking on a project to resolve encroachments along the main road in the CBD of Umzinto. This may require the re-alignment of the road in question.

### Public awareness

The Department has designed an information brochure to assist the public with all procedural and important information pertaining to the processes of the Building Control, Town Planning and Environmental Sections with regards to the submission of a plan. This will assist in making municipal procedures and information more accessible to the public.

## Town Planning Section

The aim of the Town Planning Section is to ensure that the Umdoni Land Use Management Scheme is applied uniformly throughout the Umdoni Municipal area, to correctly implement the Planning and Development Act 6 of 2008 within the necessary timeframes, and to promote harmonious development by balancing the demands of the residential, commercial and industrial development while maintaining environmental integrity.

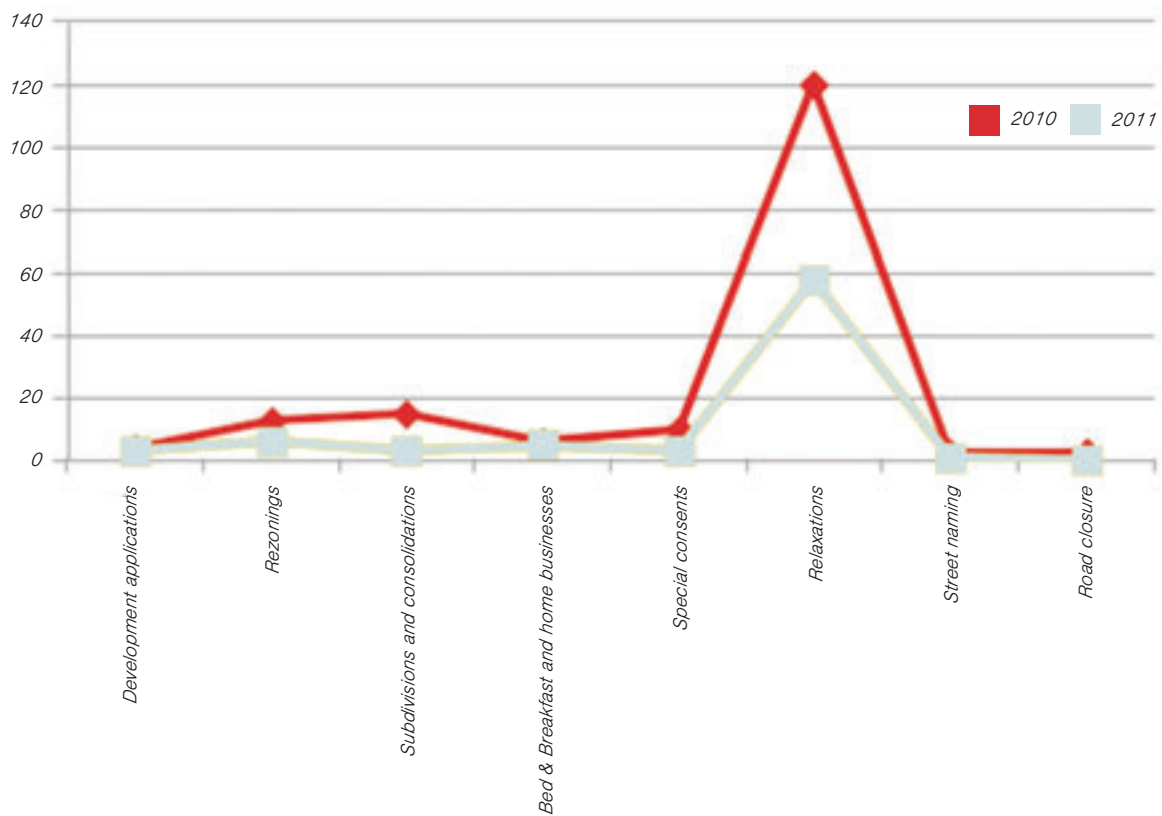
The Town Planning Section promotes integrated and balanced growth with the preparation and amendment of the Umdoni Urban Land Use Management Scheme by:

- timeously responding and processing planning applications;
- processing planning applications within the ambit of the relevant legislations;
- conceptualising frameworks and creating planning solutions that assist the Municipality when dealing with developers, stakeholders and other professionals;
- ensuring various land uses are identified and earmarked for the requirements of the community by law of optimum utilisation.

Types of applications assessed by the Town Planning Section are:

- Scheme amendments
- Rezoning
- Sub-divisions
- Home businesses
- Bed and Breakfast
- Relaxations
- Special consents
- Development applications
- Sectional titles
- Consolidations
- Road closure.

Achievements and performance highlights



Other achievements

- approved delegations in terms of the Planning and Development Act 6 of 2008;
- planning approval of the Farm Isonti Housing Scheme; and
- the successful implementation of the Planning and Development Act 6 of 2008.

Development in 2011 significantly reduced mainly due to the turn of the markets. The global recession impacted greatly on the Municipality as there was lack of faith in the property markets and the cost of developing escalated. The Municipality has endeavoured to adopt mechanisms and frameworks to assist developers to invest in the Municipality, such as sliding scales on development levies.

Environmental Management Section

The primary role of the Environmental Management Section is to ensure that all development and land development applications and associated activities are in accordance with environmental legislation and environmental management best practice principles. Should there be a breach in the law, appropriate enforcement and remedial measures are taken. The Section continues to strive for the protection of the environment for the present and future generations and to assist in upholding the people’s Constitutional right to an environment that is not harmful to their health or well-being.

The Environmental Management Section showed continuous progress during the 2010/2011 financial year with increased emphasis being placed on combating environmental crimes, particularly pollution-related contraventions and illegal tree felling. The Section is intensively involved with municipal waste management, including the management of the landfill site. The efforts of the Environmental Management Section was instrumental in the Municipality winning the category for Leadership and Planning, and was presented with a trophy, a certificate and a cash prize of R 100 000 by the honourable MEC for Agriculture, Environmental Affairs and Rural Development, Ms L Johnson, who congratulated the Umdoni Municipality for its achievements in the 2010/2011 Greenest Municipality Competition.

The following activities were undertaken during the 2010/2011 financial year.

- 380 building applications were reviewed and specific environmental requirements were required for 215 applications.
- The Section provided comment and represented the Municipality at two tribunal hearings undertaken in accordance with the Development Facilitation Act.
- Five sub-division applications were reviewed and commented on.
- Six rezoning applications were reviewed and commented on.
- Nine basic assessment/EIA applications were reviewed and commented on.
- Seven special consent applications were reviewed and commented on.
- 272 notices were issued to owners of properties with overgrown vegetation. All properties were subsequently cleared, however, 50 properties were cleared by the Municipality following the owner's non-adherence to the directive.
- 168 notices were issued for non-compliance with environmental and waste management regulations and bylaws.
- Facilitated the removal of approximately 12 000 alien plants and trees.
- The section successfully enforced the rehabilitation of 11 sites that were illegally cleared of indigenous vegetation.
- The Section enforced the rehabilitation of 11 sites following pollution-related contraventions.
- The Section, in association with the Parks and Gardens Section, successfully planted 500 indigenous plants and trees at schools and public spaces.
- Environmental education material on waste management, trees and climate change were distributed to 11 schools and libraries.
- 10 hectares of the TC Robertson Nature Reserve were rehabilitated.
- Environmental education campaigns were conducted with eight schools.



*Malangen area.*



### Environmental education and awareness

The Environmental Management Section has been engaging with schools, businesses, the youth, taxi associations and ratepayer associations in an attempt to educate the public about bad environmental practices such as littering, dumping and pollution.



*Environmental and water awareness campaign, Amandawe Community Hall.*

### Recycling programme in Pennington

In partnership with the Pennington Conservancy, different coloured bin bags were distributed to all households and business in Pennington.

### Strategic Environmental Assessment

The Environmental Management Section of the Umdoni Municipality is currently operating without an important environmental tool, namely a Strategic Environmental Assessment (SEA). This is an important tool used to guide all planning and development processes, not only for conservation reasons but also for the acknowledgement of the vital role the environment plays in providing free goods and services to the people. A situation exists in the absence of a SEA whereby the Municipality is being transformed and developed without a greater plan that earmarks the areas that are suitable for development and the areas that must be protected for the conservation of the area's natural assets. It is thus imperative that as a matter of priority, such an assessment be undertaken before the remaining natural assets of the Umdoni region are lost forever.

Following several applications for funding for the development of a Strategic Environmental Assessment, the Umdoni Municipality received R 725 000 in funding from the Ugu District Municipality for the project. Thereafter, the Environmental Management Section compiled a comprehensive Terms of Reference document for the project, which was deemed to be excellent by many professionals. The project is geared towards identifying areas of conservation significance, areas suitable for various land use activities, including agricultural, industrial, commercial, residential and tourism-based activities. A crucial part of the project involves the creation of a beneficial GIS tool used for strategic planning and the management of natural resources. The SEA will form the baseline on which future versions of land use management schemes and spatial development frameworks are developed.





*Scottburgh beach.*

### **Parks and gardens**

Maintenance of all verges, beach areas, public open spaces, removal of alien vegetation on verges and public open spaces, pruning of tree overhanging roads, removal of dead/decaying trees, tree trimming, tree planting cleaning of drains, riverbeds and Council-owned buildings, have all been included in the verge maintenance contract.



*Indigenous trees illegally cut down.*

Waste management

Refuse

- facilitated the distribution of wheelie bins to all business;
- swing bins were placed at taxi ranks, parks, schools and certain business;
- illegal dumpsites were cleared;
- an additional nine skips were purchased; and
- a transfer station in Mtwalume was constructed.

A total number of 8 645 properties (7 971 domestic and 674 commercial and industrial properties) receive a waste collection service. Ninety-four percent of households in the Umdoni Municipal area receive a refuse removal service.



Environmental awareness on refuse compactors.



Swing bins, Scottburgh taxi rank.



Refuse skip, Ifafa Glebe.





*Humberdale landfill site.*

### Landfill site

The operation of the Humberdale landfill site is contracted to Enviro-Fill and the remaining airspace at the site is around 48%. Only hazardous waste such as florescent light bulbs and tubes including penlight batteries are collected at the landfill site and disposed of at a hazardous landfill site. Used motor vehicle oil is collected by an oil company. Medical waste, which presents a health care risk, is collected by contracted personnel who transport the waste to Durban where it is incinerated at their facilities.

## Infrastructure Maintenance Section

The Infrastructure Maintenance Section comprises three units:

- **Roads and Stormwater Drainage**  
This unit is responsible for maintaining the existing infrastructure in terms of roads and stormwater drainage;
- **Building Maintenance**  
This unit is responsible for the maintenance of all Municipal-owned buildings, including housing stock;
- **Municipal Workshop**  
This unit provides support services for the maintenance of the municipal fleet of vehicles, plant and equipment.

As of 1 August 2011, the Umdoni Municipality will take over the responsibility of the maintenance of street lights from Eskom upon finalisation and signing of a Service Level Agreement and thereafter, it will become an additional responsibility delegated to the Building Maintenance Unit.

### Achievements and challenges

Some of the achievements of the Infrastructure Maintenance Section comprise the following:

- Improved procedures have been implemented for the logging of complaints and reference numbers issued for tracking progress, turnaround time and completion.
- Improved planning processes to minimise delays in service delivery have been developed.
- Records of the existing municipal infrastructure in terms of road network and stormwater drainage reticulation have been compiled.
- The construction of a new central Technical Services Depot in Renishaw, from which all departments of the



*Wren Road, Ghandhinagar.*

Technical Services Department will operate, inter-alia Building Control, Project Management, Infrastructure Maintenance and Environmental Management.

Some of the challenges of the Department that needs to be addressed are as follows:

- A vast network of roads need to be maintained with limited resources.
- The condition of the existing road network and needs to be improved and additional funding for upgrades needs to be sourced.

### **Work plan**

The Department will implement Government's plan of action which is to construct, improve and upgrade services and infrastructure in the rural sectors without neglecting the infrastructure and services in the urban built environment in order to deliver efficient, effective and economically sustainable services to communities throughout the Umdoni municipal area.

### **Roads and stormwater drainage**

The core functions of this unit entails the following:

- to undertake routine and reactive maintenance of all roads, both surfaced and gravel, in all areas within the municipal boundaries;
- to undertake routine and reactive maintenance of the municipal stormwater drainage infrastructure, including pipes, inlet chambers, manholes and watercourses (e.g. streams, open channels etc.);
- to repair potholes and tarred roads using cold mix asphalt;
- to install guardrails, which is generally carried out on verges of roads with steep adjacent embankments, at locations to protect structures, and at locations to restrict access. Armco barriers and creosoted poles make up the guardrails;
- to construct gabion structures for retaining purposes in areas where there is a potential for embankments to collapse, and also to protect services running alongside watercourses;
- to undertake periodic re-gravelling of roads. This will be based on a maintenance plan which still has to be worked out;
- to manage capital projects funded internally by the Municipality;
- to construct minor new works such as gravel access roads, upgrade existing stormwater drainage infrastructure, re-build drainage structures to improve functionality and laying of new stormwater drainage pipes.

- to assist communities with road access for funerals, predominantly in the rural areas;
- to respond to emergencies for damages and accessibility during storms and heavy rains;
- to assist other service departments such as housing and community services with minor works, for example provision of access, drainage improvements etc.; and
- to construct driveway access scoops for new developments, which is a new service that will be implemented soon, after finalisation of the tariff rates.



Gqoleni Road.

Some of the work undertaken in the past financial year is as follows:

| AREA   | COMMENT/STATUS   |
|--|--|
| Scottburgh   |  |
| Adrienne Road, Cordiner Road, Ann-Abor Road, Williamson Street, Nathan Road, Ratcliffe Road, David Road, Margaret Road, Arbuthnot Road, Scott Street and Raymond Avenue  | General stormwater drainage maintenance was done and potholes were repaired  |
| Cnr of Airth and Scotts Streets, Alexandra Retirement Home, Erskine Road, Raymond Avenue   | Stormwater drainage repairs were undertaken  |
| Freeland Park  |  |
| Lavender Road, Sylvia Road, Short Street and surrounding surfaced roads  | General stormwater drainage maintenance was done and potholes were repaired  |
| Amandawe   |  |
| Themba Road, Gqayinyanga Road, Dexter Road, Wanda Road, Dwani Road, Babhonono Road, Gugulesizwe Road, Totagani Road, Nthobela Road, Kwacele Road, Ntsoviso Road, Shange Road, Silegeni Road, and the road to the taxi rank | Roads have been re-graded and regravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was undertaken |



| AREA   | COMMENT/STATUS   |
|--|--|
| <b>Amahlongwa</b>  |  |
| Bhengu Road, Mboso Road and all side roads off main roads  | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. Further repairs to roads in this area are still required                    |
| <b>Park Rynie</b>  |  |
| Franklin Road, Old Main Road, Marine Drive, Preston Road and School Circle Road  | General stormwater drainage maintenance and potholes were repaired. Some roads have been identified for re-sealing/rehabilitation                                      |
| Industrial Park  | Interim maintenance was undertaken prior to re-construction work   |
| <b>Umzinto</b>   |  |
| Camelfoot Road, Mpiti Drive, Umbilibili Farm Road, Temple Road, Azad Road, Fern Road, Prospect Road, St. Patrick Road, Flower Road, Lotus Drive, Flamboyant Road and Ixopo Road (behind First National Bank) | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was done and potholes were repaired |
| <b>Gandhinagar</b>   |  |
| All roads  | General stormwater drainage maintenance was done and potholes were repaired  |
| <b>Shayamoya</b>   |  |
| Pakathi Street and Nkwanyana Road  | Collapsed storm water pipes were replaced. General stormwater drainage maintenance was done and potholes were repaired   |
| <b>Esperanza</b>   |  |
| All roads  | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was done and potholes were repaired |
| <b>Umtwalume</b>   |  |
| All roads and stormwater infrastructure  | Collapsed storm water pipes were replaced. General stormwater drainage maintenance was done and potholes were repaired   |
| <b>Malangeni</b>   |  |
| Twelisha Road, Golokedo Road, Msani Road, Mtolo Road, Myende, Chiliza, Hlokoheko, Mdasha and Zwelisha Roads, Tabeni, Luthuli and Dasha Roads   | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was done and potholes were repaired |
| <b>Elysium</b>   |  |
| All roads and stormwater infrastructure  | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was done and potholes were repaired |
| <b>Ifafa</b>   |  |
| All roads and stormwater infrastructure  | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was done and potholes were repaired |
| <b>Sezela</b>  |  |
| School Road, Mill to hostel and various other gravel roads and stormwater infrastructure   | Roads have been re-graded and re-gravelled, however, periodic maintenance will be on-going. General stormwater drainage maintenance and potholes repaired              |
| <b>Pennington</b>  |  |
| Palm and Syringa Roads, Marion Avenue, Gumtree and Impahle Roads, Edward Crescent, Bream Road, Rahle Road, Dolphin Drive, Marlin Road and Kingfisher Road  | Roads have been re-graded and re-gravelled, however, periodic maintenance will be ongoing. General stormwater drainage maintenance was done and potholes were repaired |

## Building Maintenance

The Building Maintenance Unit is responsible for routine and reactive maintenance of all Council-owned property which includes office buildings, depots, clinic buildings, halls, community centres, libraries, public toilets, public ablution facilities, beach facilities, rented housing stock, taxi facilities, sports facilities and Municipal-owned buildings rented to business and public service departments.

The following services are provided:

- Minor alteration works
- Painting and minor renovations
- Replacement of doors, windows, locks and light bulbs
- Unblocking of sewer and drainage pipes
- Repairs to burst and leaking water mains
- Cleaning of gutters
- Carpentry work
- Plumbing
- Specialist work such as electrical and air-conditioning is outsourced to approved service providers listed on the Council's database using the relevant Supply Chain Management processes.



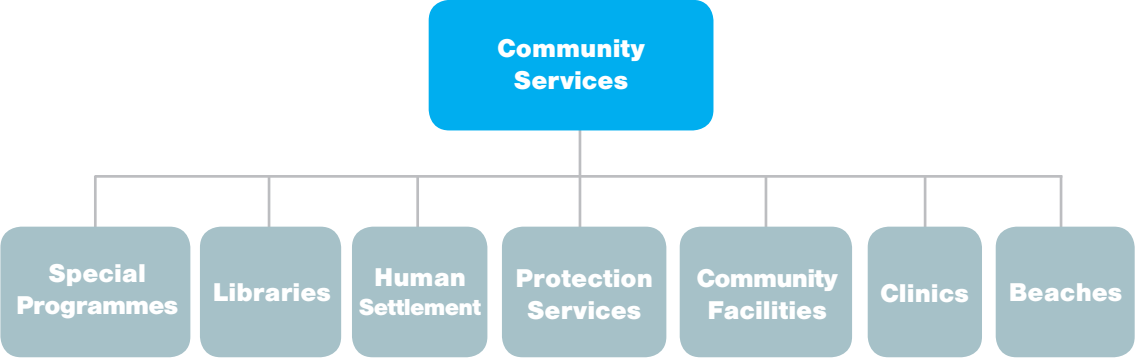
*Renovations, Scottburgh beach.*

## Workshop

The Municipal fleet consists of 137 vehicles, comprising heavy duty vehicles, mobile construction plant and light duty vehicles. The workshop attends to breakdowns and minor services for the entire fleet.

All major repairs and servicing of vehicles are carried out by agents/local service providers. More recently and when time permits, some of the major repairs are undertaken internally to promote transfer of skills and reduce costs. All derelict vehicles are auctioned and aged vehicles are repaired where possible. Minor repairs are carried out as required and all vehicles are prepared for C.O.F.

# Community Services Department



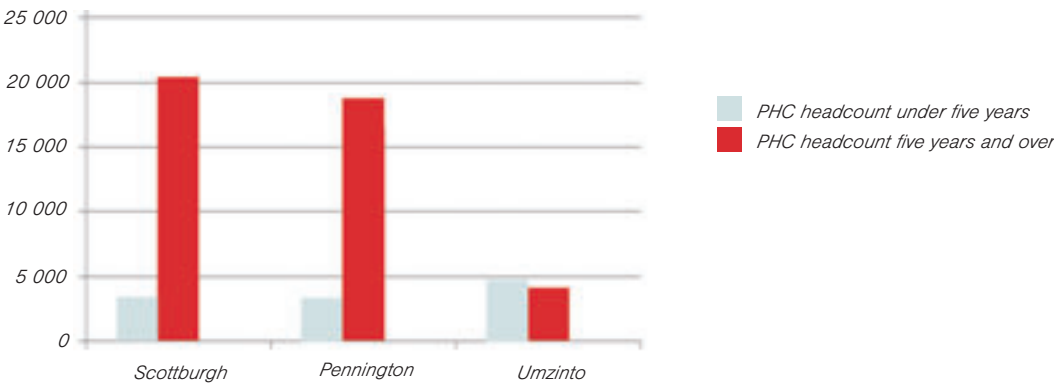
## Clinics Section

### Routine summary of clinic statistics

| JULY 2009 – JUNE 2010             |            |            |         |
|-----------------------------------|------------|------------|---------|
|                                   | Scottburgh | Pennington | Umzinto |
| *PHC headcount under five years   | 3 847      | 2 906      | 4 950   |
| PHC headcount five years and over | 21 713     | 17 666     | 3 527   |
| JULY 2010 – JUNE 2011             |            |            |         |
| PHC headcount under five years    | 3 455      | 3 301      | 4 715   |
| PHC headcount five years and over | 20 458     | 17 853     | 4 197   |

\*PHC = Primary Health Care

### Primary health care for the year 2010/2011



There are three nurses at the Scottburgh and Pennington Clinics and Umzinto Clinic is staffed with two nurses. Both Scottburgh and Pennington Clinics have HIV counsellors who are available during working hours.

### Transfer of clinics to Department of Health

The transfer of clinics arose when a number of municipalities in KwaZulu-Natal indicated to Kwanaloga that they preferred to have the service of clinics rendered by the province as opposed to rendering the service themselves. It was agreed at a meeting that the previous structures established between Kwanaloga and the province during 2007 to deal with the transfers be revived to ensure that the process of transferring the clinics is finalised as soon as possible.

Various meetings were held between Kwanaloga and the municipalities to discuss the transfer agreement and the transfer process. It was agreed that once these processes are finalised, the clinics will be transferred. The suggested date of transfer is September 2011.

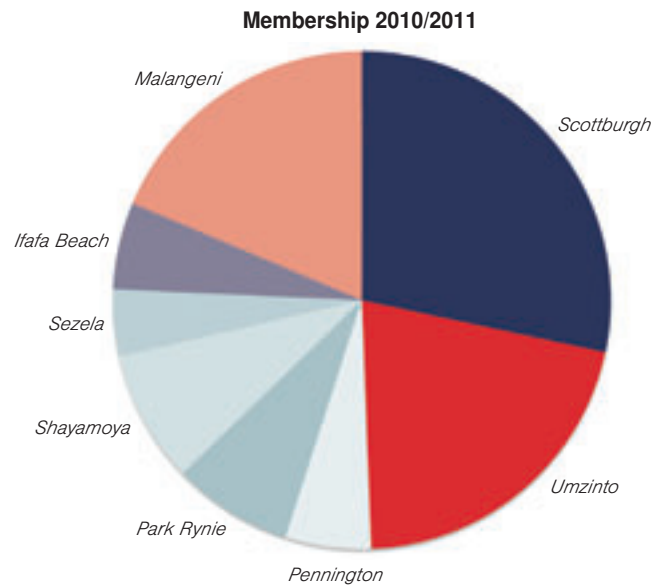


Pennington library and clinic.

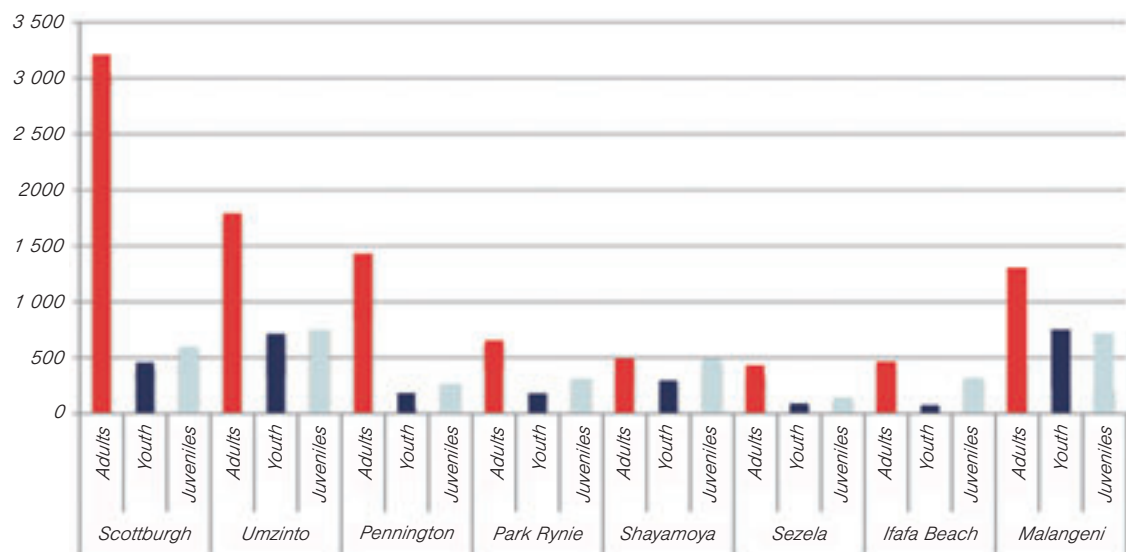
## Libraries Section

### Umdoni Municipality library statistics

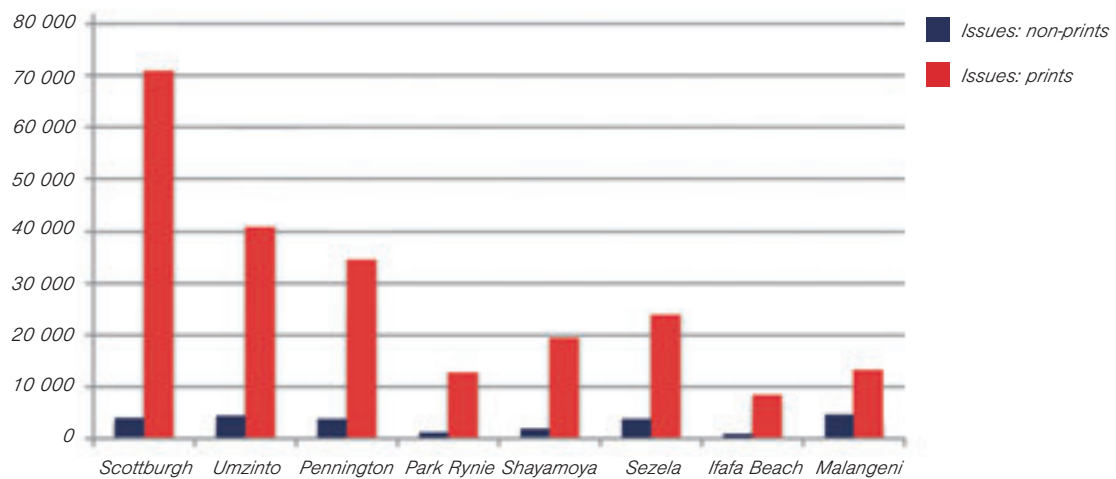
| Library                      | Membership         |                    | Prints (books) |           | Non-prints<br>(CDs, DVDs, videos) |           |
|------------------------------|--------------------|--------------------|----------------|-----------|-----------------------------------|-----------|
|                              | 20010/2011         | 2009/2010          | 2010/2011      | 2009/2010 | 2010/2011                         | 2009/2010 |
| Scottburgh                   | Adults: 3 187      | Adults: 3 045      |                |           |                                   |           |
|                              | Youth: 443         | Youth: 412         | 70 821         |           |                                   |           |
|                              | Juveniles: 640     | Juveniles: 595     |                | 77 576    | 3 063                             |           |
|                              | <b>TOTAL 4 270</b> | <b>TOTAL 4 052</b> |                |           |                                   | 2 896     |
| Umzinto                      | Adults: 1 776      | Adults: 1 789      |                |           |                                   |           |
|                              | Youth: 649         | Youth: 713         | 41 115         |           |                                   |           |
|                              | Juveniles: 746     | Juveniles: 787     |                | 57 411    | 2 833                             | 2 248     |
|                              | <b>TOTAL 3 171</b> | <b>TOTAL 3 289</b> |                |           |                                   |           |
| Pennington                   | Adults: 1 406      | Adults: 1 711      |                |           |                                   |           |
|                              | Youth: 163         | Youth: 50          | 34 278         |           |                                   |           |
|                              | Juveniles: 269     | Juveniles: 296     |                | 39 644    | 2 456                             | 3 364     |
|                              | <b>TOTAL 1 838</b> | <b>TOTAL 2 057</b> |                |           |                                   |           |
| Park Rynie                   | Adults: 654        | Adults: 649        |                |           |                                   |           |
|                              | Youth: 176         | Youth: 176         | 12 792         |           |                                   |           |
|                              | Juveniles: 334     | Juveniles: 339     |                | 13 356    | 913                               | 1 157     |
|                              | <b>TOTAL 1 174</b> | <b>TOTAL 1 164</b> |                |           |                                   |           |
| Shayamoya                    | Adults: 502        | Adults: 486        |                |           |                                   |           |
|                              | Youth: 303         | Youth: 283         | 19 641         |           |                                   |           |
|                              | Juveniles: 493     | Juveniles: 472     |                | 19 654    | 1 384                             | 1 740     |
|                              | <b>TOTAL 1 298</b> | <b>TOTAL 1 241</b> |                |           |                                   |           |
| Sezela                       | Adults: 395        | Adults: 355        |                |           |                                   |           |
|                              | Youth: 94          | Youth: 89          | 23 811         |           |                                   |           |
|                              | Juveniles: 162     | Juveniles: 143     |                | 23 629    | 2 612                             | 4 138     |
|                              | <b>TOTAL 651</b>   | <b>TOTAL 587</b>   |                |           |                                   |           |
| Ifafa Beach                  | Adults: 450        | Adults: 434        |                |           |                                   |           |
|                              | Youth: 83          | Youth: 88          | 8 032          |           |                                   |           |
|                              | Juveniles: 320     | Juveniles: 325     |                | 8 247     | 206                               | 164       |
|                              | <b>TOTAL 851</b>   | <b>TOTAL 847</b>   |                |           |                                   |           |
| Malangeni<br>(from Dec 2009) | Adults: 1 289      | Adults: 481        |                |           |                                   |           |
|                              | Youth: 767         | Youth: 218         | 13 996         |           |                                   |           |
|                              | Juvenile: 751      | Juvenile: 237      |                | 3 180     | 4 444                             | 570       |
|                              | <b>TOTAL 2 807</b> | <b>TOTAL 936</b>   |                |           |                                   |           |



Library membership by age 2010/2011



Number of issues to membership 2010/2011





## Scottburgh Library

In August 2010, all staff attended Batho Pele training, which was to ensure better service delivery in the Municipality.

Staff from Umdoni libraries attended the Annual Library Archives, Museums and Language Services Conference which was held at the ICC in Durban from 1-3 December 2010. The theme was 'Information for Social Cohesion and Prosperity'. The cybercadets from Scottburgh and Malangen Library also attended the conference.

In January 2011, staff attended computer training at Malangen Library in order to become acquainted with the Internet Explorer and Firefox web browsers in readiness for the new 'SLIMS' computer programme.

The Provincial Library Services provided Scottburgh Library with five new computers for the new 'SLIMS' computer programme. Computer section staff from the Provincial Library in Pietermaritzburg trained municipal library staff from Scottburgh, Umzinto and Pennington on the 'SLIMS' system from 21 February 2011 to 25 February 2011. The libraries were closed to the public during this period of training.

In terms of the building improvements, new air-conditioners were installed in the library study. The lighting at the entrance of the library was improved and neon lights were installed. The KwaZulu-Natal Public Library Services (KZNPLS) provided the library with a scanner, which has proved to be very useful. Lock-up cupboards for student bags were installed in March 2011 with a view to controlling the theft of books.

Christmas craft activities were arranged for the children during the December holiday period and a visitor to the area gave free dance lessons for young children in the Activities Hall.

In June 2011, two schools from the rural area (Shukumisa SP School and Ntontonto SP School) visited the library. The children were taught how a library functions and how to treat books with care. The children were particularly fascinated with the computers as they do not have computers at their schools.

The computers continue to be a strong draw card at the library and are utilised every minute of every day, mainly by people wishing to do research, look for jobs, type assignments, prepare CVs and send emails.



*Scottburgh Library.*

The teachers embarked on a strike from 11 August 2010 and the library became inundated with children who were downloading worksheets and other types of homework from the Internet. Staff kept folders with the notes for each grade and made copies for all subsequent requests. The library also agreed to collect completed worksheets which were then handed over to the teachers.

In September 2010, the librarian was invited by Sappi to visit Exclusive Books and to choose books to the value of R5 000. The librarian chose 27 books and showed her appreciation of the continued support of Sappi.

### Umzinto Library

The following activities were completed during the year by the librarian and the staff of Umzinto library:

- Movies were shown to the children of Riverside Park and temporary housing during the school holidays.
- Colouring booklets were made for the children.
- The Librarian takes items of interest to elderly members who are ill and cannot visit the library.
- The Umzintovale Primary School has invited the librarian to one of their meetings concerning reading.
- They wanted to start a reading room at the School to encourage the students to read. Ideas, posters and bookmarkers were supplied to the school by the Umzinto Library.
- People are being encouraged to use the computer facilities for browsing on the Internet, typing letters and preparing CVs etc.
- Pictures for colouring books were supplied to the Scholar Amoris School.



*Umzinto Library.*

### Malangeni Library

The Malangeni Library opened its doors to the public in December 2009, however, the official opening was held on 12 April 2011 where the Honourable MEC for Arts, Culture and Recreation, Mrs Weziwe Thusi, delivered a keynote address.

A cybercadet was employed on 1 July 2010 to assist patrons and public with the use of computers, Internet and free computer skills classes were provided. Schools were also visited during the month of July with the aim of promoting the computer projects. The cybercadet created workbooks for the students and a certificate is handed over at completion of the course. A library assistant was also employed to assist patrons and public with information and other library work.





*(Above and below) The official opening of the Malangeni Library.*



The Library experienced problems during the year where students were found to be cutting pages out of books and the theft of books also became very problematic. In an effort to resolve this matter, the librarian met with the school principal with a view to educating the pupils on how to use a library and the importance of the library. Security was also employed and the problem now appears to be under control.

The following visits and activities also took place during the year of reporting:

- The Library was visited by South Coast depot assistant and her staff for a monitoring visit.
- The librarian and cybercadet attended the Provincial Library Services Annual Conference at the ICC in Durban.
- Grade 12 students from Sihle High School visited the library especially to thank librarians for assisting them during the year – they were proud to show the staff their results.
- An Interest Group meeting was held in Malangen. This serves as training where librarians share experiences, problems and solutions which could help in managing more efficient libraries.
- Librarians attended the ever popular open day for affiliated public libraries. The aim of this is to provide librarians with the opportunity to select block loans of their choice from the Central Reference Services collection.
- A Toy Library course was held in March, which was about skills development through play action and toy library administration. Unfortunately, at this stage, the Library is not equipped to protect the toys or to facilitate the toy library.
- During Library Week and Mandela's day, Malangen Library invited children from local schools to participate in painting and colouring, and with the assistance of community members, children were also informed and given interesting facts about Mr Mandela.

### **Shayamoya Library**

During September 2010, which is also Heritage Month, the Library staff invited local residents and children to visit the library. Children were given crayons and colouring books and many cultural books were put out on display.

Storytelling took place on Fridays with the local children. Stories were read and the children had a question and answer session. Library bags were given to participating learners. Books with health information were displayed during the sessions for the benefit of adults who were encouraged to use the library which contains valuable information to enhance their health.

In August 2010, two teachers from local schools visited the library. Librarians discussed the importance of encouraging children to use the library with them.

### **Pennington, Sezela, Park Rynie and Ifafa libraries**







*Malangeni Library.*

As part of the Outreach Programme, Pennington Library staff visited Abrams Farm in Kelso to donate clothing to the community for the winter months.

Membership at the Sezela Library has increased. The Librarian conducted a community analysis of the Sezela Community. This analysis will assist the Library to improve on its weaknesses and build its strengths. This analysis also assisted the Library to ascertain the demographics of the employees of the Sugar Mill, which is the biggest employment organisation in Sezela.

Sezela Library also took advantage of the block loans from the Reference Library and a further analysis was done for the two local schools: information of their curriculum was acquired to enable the Library to assist the pupils with their assignments and projects. Sezela Library is awaiting computers and the Internet, which will also benefit the community.

During the course of the year, the above libraries had regular monthly displays. Holiday classes for children with learning disabilities were also held. The libraries also conducted several outreach programmes for the communities.



## Beach Section

The beaches within the Umdoni Municipality are some of the greatest assets of the area. Umdoni comprises approximately 40 km of coastline, which includes bathing and non-bathing beaches.



*Scottburgh Beach.*



*Park Rynie Beach.*

The beach section has a compliment of 19 staff which is broken down as follows:

- One beach manager
- One senior lifeguard
- Four lifeguards
- One team leader
- One security guard
- Eleven general workers.

During the seasonal holiday periods, contractors are employed to assist in ensuring that the beaches are kept in pristine condition for the large crowds that visit the area.



*Ablution facilities, Rocky Bay.*

Scottburgh Main Beach is the only beach that provides daily lifeguarding services. Lifeguards are placed at Pennington and Park Rynie beaches on weekends and public holidays during the out of season period, and during peak periods.

During the peak holiday seasons, additional bathing beaches are opened and an additional 34 lifeguards are employed by the Lifeguarding Services to patrol these beaches. The additional beaches are, Park Rynie Main Beach, Preston Beach, Rocky Bay, Happy Wanderers, Kelso Lagoon and Beach, Pennington Ski Boat Club Beach, Pennington Main Beach, Sezela, Bazley, Ifafa and Mtwalume beaches.

The function of the Beach Section is to provide the following services:

- Professional lifeguarding which includes rescuing drowners
- Pro-active lifeguarding
- Rendering first aid
- Attending to lost children and property
- Cleaning all facilities and grounds
- Attending to repairs and maintenance of buildings, vehicles and rescue equipment.

### **Facilities**

Umdoni has some of the best facilities on the South Coast and the beaches and grounds are used for various races, competitions, functions, weddings and night markets. Hiring of the facilities for functions is done through a controlled booking system.

Campsite

The Park Rynie Campsite is approximately 1 km in length and 50 m wide. There is a staff member on site who is ensures that the area is clean and facilities are in working order. As with the beaches, the Campsite is cleaned by a contractor over weekends and during the seasonal periods. Additional staff are brought in for the peak holiday season.

The Campsite has been revamped and now includes new facilities, a new road and high mast lighting. Booking is essential to secure the use of the Campsite.



Park Rynie campsite.

Community Facilities Section

Community halls

Umdoni Municipality has six community halls and two town halls. The facilities are equipped as follows:

| LIST OF HALLS        | CHAIRS | TABLES | KITCHEN FACILITY | STOVE | FRIDGE | CEILING FAN | AIRCON | ALARM SYSTEM |
|----------------------|--------|--------|------------------|-------|--------|-------------|--------|--------------|
| Community halls      |        |        |                  |       |        |             |        |              |
| Amahlongwa Hall      | 200    | 10     | Yes              | No    | No     | Yes         | No     | Yes          |
| Amandawe Hall        | 300    | 10     | Yes              | No    | No     | Yes         | No     | Yes          |
| Malangeni Hall       | 200    | 10     | Yes              | No    | No     | Yes         | No     | No           |
| Shayamoya Hall       | 200    | 10     | Yes              | No    | No     | Yes         | No     | Yes          |
| Gandhinagar Hall     | 100    | 10     | Yes              | No    | No     | Yes         | No     | No           |
| Town halls           |        |        |                  |       |        |             |        |              |
| Umzinto Town Hall    | 750    | 100    | Yes              | Yes   | Yes    | No          | Yes    | Yes          |
| Umzinto Dining Hall  | 200    | 20     | Yes              | No    | Yes    | No          | Yes    | No           |
| Scottburgh Town Hall | 300    | 30     | Yes              | Yes   | No     | Yes         | No     | Yes          |



### **Kwa Cele Community Hall**

Construction of a 400 m<sup>2</sup> hall with a parking facilities and fencing in Ward 2 has commenced.



*Kwa Cele Community Hall.*

### **Amahlongwa Community Hall**

The Amahlongwa Community Hall has been upgraded with new palisade fencing at a cost of R150 000 in the 2010/2011 financial year.

### **Ghandhinagar Community Hall**

The facility has been upgraded. The hall was officially opened on 6 May 2011 by Hon. RR Pillay.



*Ghandhinagar Community Hall*

| STATISTICS FOR 2009/2010 AND 2010/2011 |              |            |
|--|--------------|------------|
| List of halls                          | No. of hires |            |
|  | 2010 /2011   | 2009 /2010 |
| Umzinto Town Hall                      | 210          | 96         |
| Umzinto Dining Hall                    | 192          | 42         |
| Scottburgh Town Hall                   | 86           | 32         |
| Malangeni MPCC                         | 144          | 22         |
| Shayamoya Community Hall               | 12           | 8          |
| Amandawe Community Hall                | 105          | 27         |
| Amahlongwa Community Hall              | 96           | 25         |
| Ghandhinagar Community Centre          | 78           | 28         |



Umzinto Dining Hall.



# Sportsfields

Progress report on sports fields:

| LIST OF SPORTS-FIELDS    | FENCING | FLOOD-LIGHTING | ABLUTION BLOCKS | COMBI COURT | SITTING STANDS | UPGRADE   |
|--------------------------|---------|----------------|-----------------|-------------|----------------|---|
| Malangeni Sportsfield    | Yes     |                | Yes             | Yes         | Yes            | The Construction has been completed and the Sportsfield was officially opened on 11 April 2011. It serves the area of Ward 9 and consists of ablution blocks, combi court, fencing and a seating area         |
| Umzinto Sportsfield      | Yes     | Yes            | Yes             | Yes         | -              | Phase 2 of the construction will commence in October 2011. The Sportsfield will consist of a combi court, ablution block and a seating area   |
| Shayamoya Sportsfield    | -       | -              | -               | -           | -              | The Sportsfield is currently undergoing upgrading   |
| Amandawe Sportsfield     | Yes     | -              | Yes             | Yes         | Yes            | The Construction of the Sportsfield has been completed and was officially opened on 28 April 2011. It will serve Wards 4 and 5  |
| Olwasini Sportsfield     | Yes     | -              | Yes             | Yes         | Yes            | Construction of the Sportsfield has been completed and was officially opened on 28 April 2011. It serves the area of Ward 1 and 2   |
| KwaCele Sportsfield      | Yes     | -              | -               | Yes         | Yes            | The ablution block is currently being upgraded  |
| Ghandhinagar Sportsfield | Yes     | -              | Yes             | -           | Yes            | Phase 1 of the construction has been completed. The Sportfield was officially opening on 6 May 2011. Phase 2 of the project is scheduled for 2012/2013 financial year. The Sportsfield serves the Ward 3 area |



Amandawe Sportsfield.



Ghandhinagar Sportsfield.



Olwasini Sportsfield.



Official opening of Malangeni Sportsfield.

## Cemeteries

Burial statistics for 2009/2010 and 2010/2011.

| CEMETERY SITE | 2010/2011 | 2009/2010  |
|---------------|-----------|------------|
| Scottburgh    | 8         | 12         |
| Shayamoya     | 60        | 150        |
| Park Rynie    | 18        | 30         |
| <b>Total</b>  | <b>86</b> | <b>192</b> |

A new electronic burial programme has been procured and is now operational. This assists with the registering of graves and easier allocations.

Phase 1 of the Humberdale Cemetery in Kelso has been completed and Phase 2, which includes the crematorium, is currently being finalised.



*Humberdale Cemetery in Kelso.*

## Protection Services Section

### Traffic

|                            | ANTICIPATED INCOME | ACTUAL INCOME |
|----------------------------|--------------------|---------------|
| 2008/2009                  | R 956 700          | R 720 394     |
| 2009/2010                  | R 819 200          | R 560 220     |
| 2010/2011                  | R 650 000          | R 753 924     |
| 2009/2010 – taxi rank fees |                    | R 23 924      |
| 2010/2011 – taxi rank fees |                    | R 14 355      |

| PROSECUTIONS, SPOT FINES AND ACCIDENTS           |           |           |
|--|-----------|-----------|
|  | 2009/2010 | 2010/2011 |
| Total prosecutions on written notices            | 1 666     | 1 378     |
| Total spot fines                                 | 566       | 468       |
| Number of accidents attended to by traffic staff | 55        | 56        |

| INCOME RECEIVED FROM FINES AND LICENCES IN 2010/2011 |            |             |
|--|------------|-------------|
|  | 2009/2010  | 2010/2011   |
| Traffic fines  | R399 069   | R 701 400   |
| Driver's licence testing                             | R3 861 280 | R 3 542 744 |
| Driver's licence motor                               | R95 338    | R 162 991   |



## Umzinto Test Centre

| TOTALS FOR 2010/2011                              |        |        |        |             |
|---|--------|--------|--------|-------------|
| Category  | Totals | Passed | Failed | Income      |
| Driver's license applications                     | 5 123  | 3 120  | 2 003  | R 2 850 062 |
| Learner's license                                 | 2 590  | 624    | 1 966  | R 304 320   |
| Professional driving permits applications         | 1 311  |        |        | R 225 024   |
| Road worthy certification (motor vehicle testing) | 511    | 390    | 121    | R144 802    |
| Other (instructors and duplicate documents)       |        |        |        | R 84 844    |
| TOTALS FOR 2009/2010                              |        |        |        |             |
| Driver's license applications                     | 4 199  | 2 975  | 1 224  | R 1 500 954 |
| Learner's license                                 | 2 705  | 1 360  | 1 345  | R 1 651 195 |
| Professional driving permits applications         | 1 482  |        |        | R 313 471   |
| Road worthy certification (motor vehicle testing) | 361    | 287    | 74     | R 95 338    |
| Other (instructors and duplicate documents)       |        |        |        | R 64 010    |

### Road safety presentations

Road safety presentations were conducted in all 17 primary schools within Umdoni Municipality's area of jurisdiction. The purpose of the presentations was to educate the younger learners on road safety precautions with the aim of reducing the high statistic rate of scholars killed on the roads.

### Traffic Contravention System (TCS)

The system was installed in the Administration Office in Protection Services to administrate all fines issued by traffic officials for National Road Traffic Act and municipal bylaw infringements.

## Fire and Disaster Management

| OPERATIONS: JULY 2010 – JUNE 2011        |   |   |   |  |
|--|---|---|---|--|
| Type of incident                         | Umdoni Municipality   | Umzumbe Municipality                          | Vulamehlo Municipality                            | Totals   |
| Dump fires                               | 29  | Nil   | Nil   | 29   |
| Bush fires                               | 179   | 102   | 86  | 367  |
| Vehicle fires                            | 9   | 3   | 1   | 13   |
| Aircraft crash                           | Nil   | Nil   | Nil   | Nil  |
| Aircraft emergency landing               | Nil   | Nil   | Nil   | Nil  |
| Electrical fires                         | 18  | 6   | 2   | 26   |
| Structural fires                         | 97  | 39  | 21  | 157  |
| Trees across roads                       | 48  | 9   | 14  | 71   |
| Special service                          | 24  | 10  | 11  | 45   |
| False alarm (good intent)                | 6   | 12  | 2   | 20   |
| Garden refuse                            | 156   | Nil   | Nil   | 156  |
| Chemical fires – spills                  | 5   | Nil   | Nil   | 5  |
| Floods                                   | 2   | 1   | 1   | 4  |
| Medical rescue                           | 5   | 3   | 1   | 9  |
| Motor vehicle accidents                  | 94  | 18  | 12  | 124  |
| Hazmat (specify)                         | 14  | Nil   | Nil   | 14   |
| Assisted Umzumbe/ Vulamehlo Municipality | 19 school awareness programmes and 167 hours internal fire training full time fire fighters and 157 volunteers training | Four school awareness programmes              | Three school awareness programmes                 | 26 school awareness programmes conducted. Total of 167 hours internal training and 157 total of volunteers/ reservist training |
| Disaster-related incidents               | 58 blankets, 14 tents, and nine plastic sheets  | 132 blankets, 13 tents, and 24 plastic sheets | 32 blankets, eight tents, and four plastic sheets | 222 blankets, 35 tents, and 37 plastic sheets  |
| <b>Totals</b>                            | <b>686</b>  | <b>203</b>                                    | <b>151</b>  | <b>1 040</b>   |





*Umdoni Fire and Emergency Service Centre.*

## **Housing Section**

### **Introduction**

The Municipality has a dedicated Human Settlements Section within the Community Services Department and a Housing Debtors Section which is in the Financial Services Department.

### **Housing projects**

#### **Malangeni Rural Housing Project**

The construction of 1 000 rural in-situ housing units was completed in April 2011. Consideration is being given to the implementation of a second phase to cater for applicants who could not be assisted during the current project.

#### **Amahlongwa/Amandawe Rural Housing Project**

Construction of 1 000 rural housing units commenced in December 2010. Up to July 2011, 338 houses were built. This project is expected to be completed in December 2011. A second phase will be required to cater for those on the waiting list who have not yet been assisted.





*Amandawe housing project.*

### **Umginto Slums Clearance Housing Project**

The Implementing Agent for Tranches 2 and 3 has been appointed. The environmental approval, Record of Decision (ROD) for the project, was received in October 2010. The planning approval via the PDA (Provincial Development Act) was obtained in May 2011. Two showhouses have been built. Tender processes will take place and construction of internal infrastructure will commence in November 2011 and construction of top structures is expected to commence in February 2012. This project will provide housing for 1 925 low-income beneficiaries and 312 serviced sites for middle-income applicants. Bulk services, sewer and water reticulation will be provided by Ugu District Municipality.



*Show houses at Farm Isonti.*



### **Ifafa Glebe Housing Project In Malangeni**

The funding application for the rectification of the 50 abandoned, vandalised houses has been submitted to the Department of Human Settlements. These houses will be repaired and allocated to beneficiaries on the waiting list. 1 863 houses have been completed.

### **Renovation of old Hibiscus block of flats**

Council resolved to renovate rather than demolish this block of flats which was damaged in the June 2008 floods. Contractors commenced work in September 2011. When completed, these flats will be allocated to six needy families.

**Ghandhinagar – flooding risk**

Contractors are attending to the rehabilitation and upgrade of the drainage system which will address the risk of flooding experienced in the past (floods in June 2008).

**Temporary emergency housing for flood victims in informal settlements**

The June 2008 flood victims of the Umzinto informal settlements are still occupying the 564 temporary houses provided by the Department of Human Settlements. These residents will be re-located to the Umzinto Slums Clearance Housing Project at Farm Isonti.



*Sanathan informal settlement.*



*Temporary emergency housing and housing for flood victims in rural areas.*



**Permanent housing for flood victims in rural areas**

One-hundred-and-eighty-three of the 203 approved houses for flood victims in rural areas have been built. These are permanent dwellings. The project is expected to be completed in September 2011.

**Transfer of government housing stock**

**Ghandhinagar**

In terms of the Department of Human Settlements Enhanced Extended Discount Benefit Scheme [EEDBS], 522 beneficiaries opted for ownership and took transfer of their houses and received title deeds.

**Riverside Park**

The Municipality has appointed a project facilitator who has commenced with the process to transfer the 300 flats in Riverside Park to beneficiaries in terms of the EEDBS. The sales administration and building inspections have been done and the funding application has been submitted to the Department of Human Settlements. During the transfer process, all building defects, electrical and plumbing faults will be rectified and requirements of the Sectional Title Act will be complied with.



*Riverside Park (above and below).*



### **Repairs to flood-damaged 'Renaissance' Houses**

Fifteen houses from the Renaissance Project which were damaged during the floods were repaired.



*Renaissance house in Amandawe.*

## **Special Programmes Section**

### **Umdoni Bursary Fund (2010)**

Umdoni has made and will continue to make a substantial and core contribution to student financial support in its area of jurisdiction. The fund is intended to assist with registration fees and is limited to a fixed amount of R 3 000 per successful applicant. Umdoni Municipality designed posters that were placed in public areas and in all respective wards, with the assistance of Ward Councillors. The posters stipulated the conditions of the fund. It was clearly stated that only residents of Umdoni should apply and the eligibility criteria for the bursary was also indicated.

Twelve successful applicants were assisted within a budget of R55 768.

### **HIV/AIDS programmes**

Umdoni conducted three HIV/Aids awareness programmes within the rural areas of Umdoni. Areas covered were Malangeni (Wards 8 and 9), Amahlongwa Ward 1 and Ward 6 covering Kwankonka, Sanathan Area and Umzinto CBD. These awareness campaigns were held in conjunction with stakeholders such as the Department of Health, Red Cross, UVHAA, Social Development and Cherry Bizz as well as other Faith-Based Organisations. HIV testing was also done on site during the awareness campaign.





*The public listen to presentations during the HIV awareness campaign.*

## Youth development programmes

### Career guidance in schools

Career guidance sessions were held during the month of July 2010 and the following high schools benefitted from the programme:

- Gugulesizwe High
- Zithokozise High
- Kwahluzingqondo High.

### Dress A School Child Programme

The handover of full school uniforms to 27 schools in the locality was held on 21 April 2011 at the Umzinto Town Hall. Initially, 30 schools had been targeted but three of the schools did not respond. Each school identified 10 of their most indigent cases and Umdoni assisted 270 scholars.







*Youth Development Summit.*

### **Youth Development Summit**

During the month of December 2010, A Youth Development Summit was held at Amandawe Community Hall. Issues pertaining to youth development and programmes were deliberated. Invited stakeholders included the IEC, Social Development, Ugu District Municipality, World Changers and Department of Home Affairs.

### **Youth Month Celebration: Youth Izimbizo**

A Youth Imbizo was held at the Amandawe Community Hall on 22 June 2011. This gathering was in accordance with the Youth Day Commemoration on 16 of June 2011. Representatives from all 10 wards were in attendance and motivational speakers, as well as the Mayor, were there to give words of encouragement to the youth of Umdoni.

### **Ugu District Youth Awards**

Umdoni was part of Ugu District Municipality Youth Awards held in January 2011. Umdoni was presented with two nominations, one for the business category and one for the best Matric student.

### **Disability**

The International Day for Disabled People is an annual event held in the Ugu District. The Umdoni Municipality's Special Programmes Section organised wheelchairs from the NGO based at Chatsworth and donated eight wheelchairs to the community of Ward 1 in the month of December 2010, and a further five wheelchairs and 50 walking sticks were donated by Umdoni Municipality.

Games for people with disabilities was held in the month of July 2010 at St Martin's sportsground and Umdoni sent a team of their Disability Forum members.

### **Gender programmes: Women's Month celebration**

Umdoni, in partnership with Ugu District Municipality, held various Women's Month celebrations. Among them were the 'Zulu Royal Umhlanga Reed Dance' and the 'Take a Girl Child to Work'.

## Sports and recreation

### Winter Games

Winter Games is an annual sporting event held by all municipalities in preparation of the Kwanaloga games held every December. Games began at a grass root level from selection and actual games were played in the Ugu district, at TB Molefe Sportsfield at Gamalakhe.

Umdoni participated in eight sporting codes and was placed second out of six municipalities, winning a cheque of R 3 000, more than 30 trophies and the 'Golden Boot' award.



### Kwanaloga Games

Umdoni participated in the Provincial Kwanaloga Games held in Richards Bay during the month of December 2010. Four Councillors represented Umdoni in support of their district.

### Mayoral Cup Games

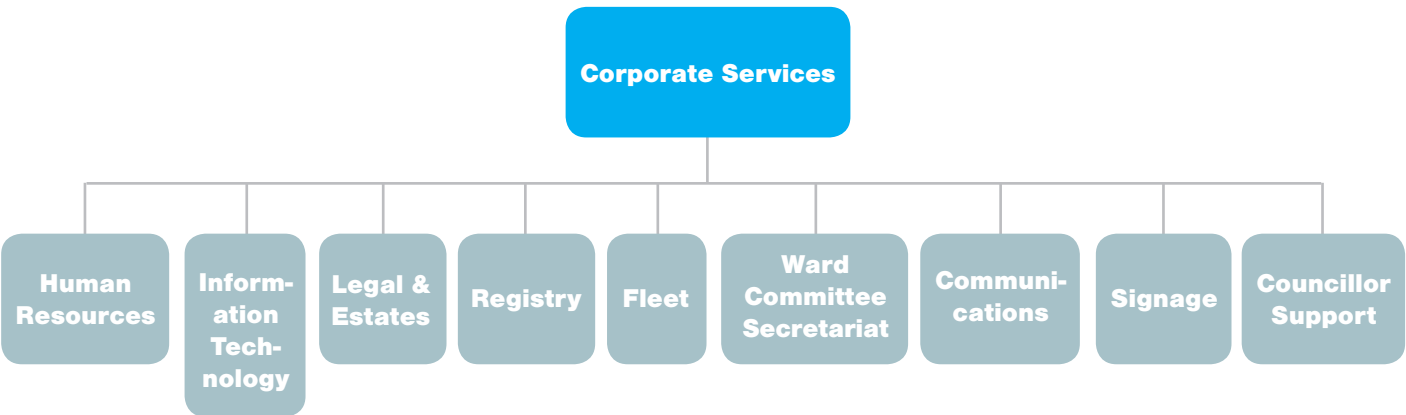
Mayoral Cup Games started in February 2011 at ward level where all wards participated with a total of 64 teams. Winners received a kit at ward level. At the final stages of the games, winners received prize money ranging from R 1 500 to R 10 000. Sporting codes included female soccer, volleyball and netball.



## Senior citizens

An official launch was held in October 2010 in Scottburgh Town Hall to recognise and respect the Umdoni senior citizens. Ten members and officials from sector departments, including Umdoni, formed 18 members in total to constitute the Umdoni Senior Citizen Forum.

# Corporate Services Department



## Signage Section

### Aims and objectives

The fourth year of the implementation saw continued communication to the general roleplayers. The fact that the Municipality has now administratively aligned itself to control signage and the framework to effect this task, is promoted frequently.

Various tasks were undertaken in the following areas of operation, including the gazetting of the Umdoni signs bylaws in 2007 to enable the Municipality to institute legal notices, followed, if necessary, by fines and penalties.

This process has been impeded in that authorisation still has to be received from the Chief Magistrate to apply this process to the formal revision of each individual erf within the Umdoni area.

Once this formal revision takes place, all the existing signage anomalies will be addressed and rectified.

### Administration policies

At the outset, there was a need to implement policies that apply to specific types of signage not necessarily addressed within the Umdoni signs bylaws. Thus policies governing the placement of banners and the specifications for directional signage, as well as the placement of illuminated street name indicators, mobile signs, street furniture (pole mounted bins, pavement litter bins and advertising seating benches), and permanent poster placeholders, were put in place.

In addition, a specific policy was formulated during 2009 to allow the Signage Control Section the ability to identify sites for the placement of Council-owned illuminated street name indicators for the purpose of generating rental income from advertisers.

To date, two such units in Scottburgh have been installed and other prospective sites will be assessed, should the need arise.

### Communication

The availability of the consultant to the general public has continued to be well publicised and the public has reacted well to the reliable availability of signage expertise. The consultant has attended 195 formal appointments with signage roleplayers throughout this past year.

### Revenue

The tariffs attached to the various signage permits required in terms of the signs bylaws are reviewed annually, taking any feedback from the affected public as well as the market in general countrywide, into consideration. Recommendations are made to Council with supporting documentation to assist in the formulation of the budget for the coming financial year.



The revised and approved Schedule of Tariffs, as well as updated application forms, are distributed via email to all members of the signage database on 1 July annually.

Umdoni Municipality consists of one main coastal town (Scottburgh) and one main inland town (Umzinto), with extremely limited avenues for the creation of advertising opportunities and the volume of revenue collected reflects this. The increase in revenue from a situation where there was little control to full professional administration and control is the most prevalent factor contained in the table of revenue below. The rebound in revenue earned in 2010/2011 again is indicative of the economic recovery of the advertising industry worldwide.

| SIGNAGE REVENUE FROM 2006 TO 2011 |                   |                   |               |                     |
|-----------------------------------|-------------------|-------------------|---------------|---------------------|
| Reporting period                  | Revenue collected | Increase/decrease | Signs removed | Public appointments |
| 1 July 2006 to 30 June 2007       | R 23 264          |                   |               |                     |
| 1 July 2007 to 30 June 2008       | R 211 886         | 890%              | 489           | 191                 |
| 1 July 2008 to 30 June 2009       | R 303 054         | 30%               | 462           | 195                 |
| 1 July 2009 to 30 June 2010       | R 190 524         | -37%              | 559           | 164                 |
| 1 July 2010 to 30 June 2011       | R 224 209         | 18%               | 1 140         | 238                 |
| <b>Total revenue</b>              |                   |                   |               | <b>R 952 938</b>    |

The general growth can be attributed to the consistent professional control in place, as well as the utilisation of the signage display avenues afforded by the formal policies approved by Council.

### Physical monitoring

Signage within the area has been actively monitored resulting in the physical removal of a record 1 140 signs placed within Council-controlled property. The downturn in revenue has not affected the active control of signage within the area and more illegal signage is expected to be erected in times like these.

The sign removals still take place predominantly on weekends and public holidays, thus displaying the commitment of the Council to provide the service outside of normal operating hours.

### Conclusion

The year under review has again seen a focus on communication and physical monitoring. The economic downturn will continue to affect the revenue collection throughout the balance of 2011, however, the signage initiative will be taken forward once the Chief Magistrate has signed off the schedule of fines attached to the Umdoni signs bylaws. The formal plan is then to be implemented, which deals with the evaluation of each individual property within the entire area, followed by contact with the owner to ensure that any advertising signage present complies with the Umdoni signs bylaws.



## Legal and Estates Section

### Long-term agreements

Disclosure of long-term agreements entered into during the year under review (30 June 2010 to 1 July 2011):

| LEGAL AND ESTATES LONG-TERM AGREEMENTS   |   |   |
|--|---|---|
| Company/Municipality   | Description   | Duration  |
| KZN Sharks Board Service Level Agreement   | Agreement to provide safeguards for bathers against shark attacks                                 | Duration shall be for a period of 36 months, from 1 July 2010 to 30 June 2013     |
| Ugu District Municipality  | Umzinto Slums Clearance Housing Project – Service Level Agreement                                 | 19 August 2010 until completion of the project                                    |
| Chubb Security Company   | Response and Monitoring Agreement for the Scottburgh Library                                      | 36 months (three years) – automatically renewed unless terminated by either party |
| The Water Co.  | Provision of water purifier to Debt Recovery, Human Resources and IT offices                      | 36 months (three years) – automatically renewed unless terminated by either party |
| Ugu District Municipality, Umdoni and Vulamehlo Municipalities   | SAMWU agreement for the appointment of a full time shop steward                                   | Signed on 16 November 2010 for an unspecified period                              |
| The Provincial Department of Housing – KwaZulu-Natal and the Ugu District Municipality Project Management Unit | Implementation of the Amahlongwa Mission Reserve Rural Housing Project – No K03100016 – Stage 2   | Commenced on 10 August 2010   |
| Copy Link Group  | Rental and maintenance agreements for Kyocera KM 1620 photocopier at the Scottburgh Depot         | Initial period of hire – five years   |
| Technologies Acceptances and Capital Office Automation   | Rental and maintenance agreements for Xerox WCP 5675. Photocopier at the Debt Recovery Department | Initial period of agreement – three years   |

### Short term agreements

The following short-term agreements were entered into during the year under review.

| LEGAL AND ESTATES SHORT-TERM AGREEMENTS                 |  |   |
|---|--|---|
| Company/Municipality                                    | Description  | Duration  |
| Geo Debt Solutions                                      | Software system 'add-on' to SAMRAS system  | 1 July 2010 to 30 June 2011                             |
| Denis Marshall Enterprises                              | Legal consultation services  | 1 July 2010 to 30 June 2011                             |
| Department of Arts and Culture                          | Funding for library computer assistant (cybercadet)  | 1 September 2010 for 12 months                          |
| SAPS Umzinto and SAPS Scottburgh                        | Provision of 'Bobbies' to assist with traffic control, law enforcement etc.  | December 2010 to and including Easter 2011              |
| Department of Transport                                 | Construction and upgrading of certain roads in Umdoni for project funded through the Disaster Management Fund  | 1 November 2010 and terminates on completion of project |
| G Cudmore   | Assistance with MIG funding processes and procedures   | 1 October 2010 to 31 December 2010                      |
| Chiba Ring Development Company (Pty) Ltd                | Development of 'Woodlands' site to establish approximately 71 residential units and development of 'Wetlands' site to establish approximately 32 residential units | Agreement is valid for 24 months                        |
| Umdoni Business Chamber                                 | Establishment of the Business Chamber Office for the benefit of all participating local businesses   | 1 July 2010 to 30 June 2011                             |
| Department of Energy/(Government of the Republic of SA) | The funding and implementation of The Electrification Programme  | 1 April 2011 to 31 March 2012                           |

## Leases

The following leases were entered into during the year under review:

| LEGAL AND ESTATES LEASE AGREEMENTS |   |   |
|------------------------------------|---|---|
| Company/Municipality               | Description   | Duration  |
| J M McConnell                      | Fun Hire: Scottburgh Beach Pavilion. All Sorts Shop: Scottburgh Beach Pavilion          | 1 November 2010 to 28 February 2011 and 1 March 2011 to 31 August 2011  |
| BS Joubert                         | Water Slide and Miniature Golf. Scottburgh Beach Pavilion                               | 1 November 2010 to 28 February 2011. 1 March 2011 to 31 August 2011   |
| The Beach Company                  | Beachcomber: Scottburgh Beach Pavilion  | 1 March 2011 to 31 August 2011  |
| Famous Brands                      | Wimpy: Scottburgh. Beach Pavilion   | 1 March 2011 to 31 August 2011  |
| Park Rynie Ski Boat Club           | Lease of portion of Admiralty Reserve. Lease of Remainder 1 of the Farm Dumayo No 14812 | 1 February 2011 to 31 January 2016. Initial period of agreement – 1 year, from 1 April 2011 to 30 April 2012, thereafter it shall continue indefinitely |

| POLICIES ADOPTED/REVIEWED DURING THE YEAR UNDER REVIEW                                       |                                   |
|--|-----------------------------------|
| New policies   | Council resolution date           |
| Experiential Learning Policy   | 23 February 2011                  |
| Sexual Harassment Policy   | 23 February 2011                  |
| Reinstatement of Service Trenches on Surfaced Roads Damaged by Eskom, Ugu or Citizens Policy | 13 April 2011                     |
| Amended policies   | Council resolution date           |
| Reimbursement of Ad Hoc Travelling Expenses/Travel & Subsistence Policy                      | 29 June 2011                      |
| Credit Control and Debt Collection Policy  | 23 February 2011                  |
| Street Light Policy  | 30 June 2011 and 23 February 2011 |
| Study Leave Policy   | 30 March 2011 and 27 July 2011    |
| Recruitment and Selection Policy   | 25 August 2010                    |
| Fleet Management Policy  | 25 August 2010                    |
| Supply Chain Policy  | 20 June 2011                      |
| Petty Cash Policy  | 29 June 2011                      |

## Bylaws

No bylaws were promulgated during the year of reporting.

## Business licences

Business licences are primarily issued to food outlets, restaurants and businesses which deal with the preparation of food. The following licences were issued after approval was obtained from the Town Planning, Fire and Disaster Sections and Ugu District Municipality's Health Inspectorate.

| BUSINESS LICENCES ISSUED IN 2010/2011    |                                   |                 |
|--|-----------------------------------|-----------------|
| Business                                 | Address                           | Date of issue   |
| Tikka Darbar                             | Erf 210, Umzinto                  | 30 July 2010    |
| Chicken World                            | Shop 2, Paramount Centre, Umzinto | 11 January 2011 |
| Shop 112                                 | Mtwalume                          | 13 January 2011 |
| Checkout Supermarket                     | Umzinto                           | 13 January 2011 |
| Sasol Convenience Store/Bakery/Take-away | Umzinto                           | 14 January 2011 |
| Die Boepensie                            | Erf 883 Scottburgh                | 7 April 2011    |
| Govender's Mini Market                   | Erf 446 Park Rynie                | 15 April 2011   |
| Umdoni Park Golf Clubhouse               | 1 Don Knight Avenue, Pennington   | 11 May 2011     |
| Biltong Man                              | Dynarc Mall, Scottburgh           | 24 May 2011     |
| King Pie                                 | Dynarc Mall, Scottburgh           | 26 May 2011     |
| Govender's Superette                     | Park Rynie                        | 21 June 2011    |

## Sale of Municipal properties for the year under review

### Erf 980 Freeland Park and Erf 141 Ifafa Beach

The sales of two properties advertised in 2008, namely Erf 980 Freeland Park and Erf 141 Ifafa Beach, were cancelled in 2011. Council resolved that these properties, together with other suitable properties, would be re-advertised for sale when the property market improves in the future.

### Remainder of Erf 533, Erf 535 and Erf 542 Scottburgh

Council is presently negotiating with the Department of Health on the sale of these properties. The Department of Health intends to utilise these properties for extensions and additions to the GJ Crookes Hospital in Scottburgh. This transaction is being pursued vigorously.

### Objections and appeals considered by the Valuation Appeals Board for the valuation period 1 July 2007 to 1 June 2012

In terms of the Municipal Property Rates Act, the process for the lodging of objections and appeals is very briefly summarised as follows:

- The new or revised Valuation Roll is advertised for inspection and calling for objections.
- Any objection lodged is to be considered by the valuer, who may or may not alter his valuation.
- If the valuer reaches agreement with the objector, the valuer amends the entry for the property in question and advises the Municipality of the change.
- If the amended valuation is greater than 10% more or less than the original valuation, the revised valuation is referred to the Valuation Appeals Board for review.
- If the valuer does not reach an agreement with the objector, the objector may lodge an appeal.
- The appeal is referred to the Chairman of the Valuation Appeal Board for deliberation and finality. The decision of the Board is final.

The Ugu Valuation Appeal Board was constituted by the Department of Co-operative Governance. Hearings for appeals which were lodged by appellants in the Umdoni Municipal area took place from September to November 2010.

Objections which were settled by the objector and valuer but where the change to the value of the property was either less than or more than 10% of the original value, were reviewed by the Valuation Appeal Board between January and March 2011.

Umdoni Municipality was one of the first municipalities in KwaZulu-Natal to finalise the process for the period under review.

| STATISTICS OF OBJECTIONS AND APPEALS  |   |
|---|---|
| Objections lodged   | Full Title: 1 073<br>Sectional Title: 247 |
| Objections settled by the objector and the valuer   | Full Title: 65<br>Sectional Title: 11     |
| Objections settled by the objector and the valuer but where the change to the value was greater than 10% of the original value and thus required compulsory review by the Valuation Appeals Board | Full Title: 493<br>Sectional Title: 196   |
| Objections lodged resulting in a change in value by the Valuation Appeal Board during the compulsory review process   | 6   |
| Total appeals   | 126                                       |
| Upheld appeals  | 64  |
| Dismissed appeals, where the revised value stands   | 36  |
| Withdrawn appeals   | 13  |
| Struck off the roll   | 1   |
| Lapsed appeals but subject to review by the Board   | 12  |
| <b>Total cost of Valuation Appeal hearings to date</b>  | <b>R 872 446</b>                          |

| DEFINITIONS                 |  |
|-----------------------------|--|
| Upheld appeals              | Appeals where the value of the property was changed through the decision of the Valuation Appeals Board            |
| Dismissed appeals           | Appeals where the value of the property has remained unchanged through the decision of the Valuation Appeals Board |
| Withdrawn appeals           | Appeals withdrawn by the appellant   |
| Appeals struck off the roll | Value accepted by appellant prior to hearing. Appeal therefore struck off the roll                                 |
| Lapsed appeals              | Appellant accepts compromise prior to hearings   |

## Registry Section

The amalgamation of numerous Municipal entities into KZ 212, or Umdoni Municipality, has necessitated the need to bring all the records of these former entities together into one centralised records facility. Some records, which have been stored in unsuitable conditions in satellite offices, have subsequently been collected and filed in the central registry situated in Scottburgh.

Accordingly, an off-site storage office has been identified in Pennington, at the offices of the former Pennington TLC. However, for financial and logistical reasons, this storage facility has not become operational as yet. The Registry operates in terms of a procedure manual and policy, which are reviewed annually.

## Fleet Section

A total of 13 new vehicles of various types (LDVs, sedans, fire tender) were purchased during the year of reporting. The Fleet Section commenced branding all vehicles which displays the Council's logo, vehicle identification number and Municipal contact numbers. Road users can then report poor driving or abuse of vehicles to the Council. Branding has been undertaken on all existing Council vehicles.

A total of eight accidents involving Council vehicles occurred during the period under review. Several short workshops were held by the fleet officer on numerous aspects of drivers' responsibilities and duties. This seems to have had an impact as these accidents were all of a minor nature. A total of 10 unused/derelict vehicles are to be sold by public auction/tender.

## IT Section

The introduction of a fully operational and comprehensive email system has insured that staff have experienced a marked increase in turnaround time with regards to correspondence and handling of queries. With a comprehensive infrastructure in place, the IT function within the Municipality is operated on set standards and practices. The following additional systems and matters have been implemented and/or are monitored:



- WebMarshall became fully functional in September 2010.
- Users of laptops have been issued with security locks.
- WebMarshall/Mailmarshall licences have been updated.
- Symantec anti-virus software is monitored on a daily basis.
- Windows File Server 2003, VIP and Georeality systems are monitored on a daily basis.
- Samras M/C disc usage is monitored on a daily basis and backups done daily.
- Regular monitoring of disk usage and errors (Linux M/c) is done on the mail server.
- The Umdoni website is updated regularly.
- Symantic Livestate was implemented in September 2010.
- Two interns underwent training under the supervision of the IT officer.



## Communications Section

### Community outreach programmes

One of the key responsibilities of local government is to ensure that communities receive services that they are entitled to without travelling long distances. In the spirit of taking services to the communities, Umdoni Municipality has designed a Community Outreach Programme which is designed to 'take services to people'. The targeted communities are in the rural areas due to the long distances that they need to travel. Outreach programmes are conducted on a monthly basis in partnership with other government departments such as SASSA, Social Development, the Department of Health, SAPS and Ugu District Municipality.



**Press articles**

A total of 32 press articles were published during the financial year.

**Clean-up Campaign: 23 July 2010**

Umgeni Water partnered with Ugu District Municipality, Umdoni Municipality and the Department of Agriculture in the Ugu Region to organise a Clean-Up Campaign in Umzinto as part of Environmental Day. Six schools in the area of Umzinto participated in this campaign. Each school produced a banner with an environmental message carried by learners during the street clean-up operation.





### Worker's Parliament and unveiling of the Wall of Remembrance: 4-6 May 2011

Family and friends of the 13 victims of the serial killer, Thozamile Taki, gathered at Umzinto Municipal Grounds, when members of the KZN Legislature under the leadership of the Speaker, Ms Peggy Nkonyeni, unveiled the Wall of Remembrance for the victims.

Among the dignitaries who attended this remembrance day were, COSATU General Secretary Mr Zwelinzima Vavi, who commended the Speaker of the KZN Legislature for erecting the memorial wall. Members of the labour federation, families of the victims, Councillors and officials also attended this remembrance which was held over three days from 4-6 May 2011.



*Unveiling of the Wall of Remembrance.*

### Ward committees

Section 152 of the Constitution places the participation of communities at the centre of service delivery and other matters of local government: the Municipal Structures Act, (Act 117 of 1998). The Municipal Systems Act, (Act 32 of 2000) provides the legislative framework for the establishment of ward committees within the Municipality's area of jurisdiction. Ward committees were introduced into municipalities as community structures to play a critical role in linking and informing the Municipality about the needs, potential and challenges of the communities.

#### Establishment of ward committees

The Council resolved that ward committees be established within the Municipal area. A ward committee was established for each ward in the Municipality; in total there are nine wards which consist of urban and rural components. To enable ward committees to perform their functions and exercise their powers effectively, a fully equipped office was allocated for the ward secretariat to perform his/her duties. The provision of these facilities will ensure that their duties are performed in an efficient and effective manner. A ward committee official is available at the office to offer support and assist administratively where necessary.

Note that after the 2011 elections, Umdoni Municipality had 10 wards and the establishment of ward committees for the ensuing year will be reported on in the 2011/2012 Annual Report.

#### Composition of ward committees

A ward committee consists of the Councillor representing that ward in the Council, who must also be the chairperson of the committee; and no more than 10 other persons. When electing members, the following is taken into account:

- women must be equitably represented in a ward committee;
- diversity of interests in the ward is to be represented;
- gender equity may be pursued by ensuring an even spread of men and women on a ward committee.

#### Frequency of ward committee meetings

Meetings are scheduled and circulated in advance in order to plan and prepare Councillors for forthcoming meetings. Ward committees are required by the guidelines to meet at least quarterly. Ward committees had regular

meetings during the first half of the year and no meetings were conducted during the second half of the year. This was due to the local government elections.

The schedule depicting meetings held is as follows:

| WARD/COUNCILLOR        | NO. OF MEETINGS SCHEDULED | NO. OF MEETINGS HELD |
|------------------------|---------------------------|----------------------|
| Ward 1: Cllr D Cele    | 4                         | 0                    |
| Ward 2: Cllr PH Ngcobo | 4                         | 1                    |
| Ward 3: Cllr M Moodley | 4                         | 0                    |
| Ward 4: Cllr MO Zama   | 4                         | 2                    |
| Ward 5: Cllr EV Baptie | 4                         | 2                    |
| Ward 6: Cllr NH Gumede | 4                         | 2                    |
| Ward 7: Cllr RJW Meyer | 4                         | 1                    |
| Ward 8: Cllr GH Myende | 4                         | 0                    |
| Ward 9: Cllr ES Gumede | 4                         | 2                    |

### Capacity building and skills development

The ward committee structures accommodate for training workshops to enhance participatory democracy in local government. The main objective of the workshops is to capacitate ward committees in understanding their roles and responsibilities in the Municipality.

The following workshops and training was conducted during the year:

- CPP Workshop (Public Participation and Development) Course 1
- CPP Workshop (Public Participation and Development) Course 2
- Community-based Planning Workshop.

### Stipend for secretariat and ward committee members

No remuneration is payable to ward committees; the policy makes financial provisions for out-of-pocket expenses which are payable from the budget of the Municipality to members of ward committees in respect of participation by ward members in the activities of the ward committees.

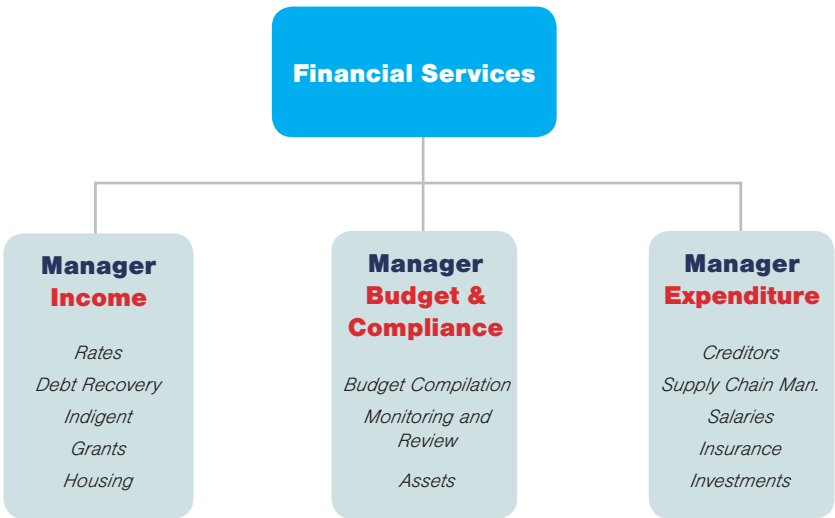
A total provision of R 115 000 was made available from the MSIG funding for the functioning of ward committees. Council resolved that an amount of R 250 be payable to ward members for attendance of committee meetings and R 750 to the secretariat for administrative duties.

### Challenges

Ward committees increase the participation of local residents in Municipal decision-making as they are a direct link to the Council. Some of the challenges that were identified in the rural areas are as follows: housing, water, sanitation and electricity. The establishment of ward committees is currently in the early stages and a great deal of capacity building still needs to be done.



# Financial Services Department



## Income

### Municipal property rates and valuation roll

The first ever consolidated valuation roll within Umdoni Municipality was implemented on 1 July 2008. The market-based valuation system represented a significant change from the municipal-based system of valuation. Ratepayers were now rated on the willing-seller-willing-buyer principle as opposed to the previous municipal value.

During the course of the year, significant progress has been made in improving the quantitative aspects of the valuation roll. With all objections having been responded to in the previous financial year, the 2010/2011 financial year resulted in the finalisation of all outstanding appeals as well as the release of a further supplementary valuation roll. Umdoni Municipality has continued the internal verification and review process of the completeness and accuracy of the valuation roll. This process is continued by the Technical Services Department and is monitored on a monthly basis by the Finance and Administration Portfolio Committee. Any queries identified are forwarded to the valuer to investigate on an ongoing basis.

The Municipal rates policy is under a constant process of review with an emphasis on meeting the needs of the public within the prescripts of the law.

Umdoni has recognised the strategic importance of increasing revenue. This strategic objective has been classified into two main categories: improving collections on current revenue streams, and increasing the number of revenue streams. The above will assist the Municipality in not only maximising revenue, but also in identifying alternate revenue streams so as not to overburden the existing ratepayers. Various strategies have been implemented to meet the above objective with increasing effectiveness.

### Indigent support

Umdoni Municipality continued indigent support in respect of refuse services, certain categories of electricity users and rates during the 2010/2011 financial year. In order to ensure the necessity of service, all applicants are subjected to a verification process prior to the extension of such services.

| BENEFITS EXTENDED TO QUALIFYING APPLICANTS |         |             |           |
|--|---------|-------------|-----------|
|  | Refuse  | Electricity | Rates     |
| Number of households                       | 782     | 1 766       | 728       |
| Rand value                                 | 418 526 | 678 071     | 1 503 320 |

## Debt recovery

Debt recovery remains one of Council's priority areas. While Umdoni does understand the plight of ratepayers in these tough economic times, in order to remain a viable entity and render continued services to an ever increasing need, all revenue due must be collected. With the cost of services spiraling higher, it is imperative that collection rates are improved so as to negate the impact of any future increases. The total recovery percentage against the charges for the 2010/2011 year has increased due to intensified debt recovery efforts with a recovery percentage of 98% (2009/2010: 90%) being achieved.

## Expenditure Grant in Aid

Umdoni's Grant in Aid allocation is for the upliftment and assistance of non-profit organisations within the Municipality. In a break from tradition, the 2010/2011 allocation was issued in a handover ceremony, which served to highlight the sterling work undertaken by the various organisations.

The 2010/2011 allocation was distributed to the successful qualifying applicants listed below.

| SUCCESSFUL QUALIFYING APPLICANTS IN 2010/2011                   |                 |
|---|-----------------|
| Applicant   | Amount R        |
| Park Rynie Senior Citizens Association                          | R 4 500         |
| Ghandhinagar Senior Citizens Association                        | R 4 500         |
| Inkanyezi Foundation for the Physically Challenged and Disabled | R 4 500         |
| Scottburgh Surf Lifesaving Club                                 | R 4 500         |
| Khumbula Ikhaya   | R 4 500         |
| Khanya Hospice  | R 10 000        |
| Amandawe Community Care Centre                                  | R 4 500         |
| Sezela Senior Citizens  | R 4 500         |
| Pennington Recreation Club                                      | R 4 500         |
| Sukumuzame Community Development Organisation                   | R 4 500         |
| Umzinto Civic Association                                       | R 4 500         |
| Umzinto Association for the Aged                                | R 4 500         |
| <b>Total</b>  | <b>R 55 000</b> |

## Repairs and Maintenance

The total repair and maintenance for the financial year was approximately 6%, however, given the increasing asset base and the aging infrastructure, this will be required to be augmented in the forthcoming financial years.

## Supply Chain Management

Supply Chain Management remains one of the most dynamic and challenging units within the Finance Department. During the year under review, significant strides have been made towards the review of the Supply Chain Management policy and its implementation. The Municipality has a fully fledged bid committee system in accordance with its policy, and qualifying bids are weighted to ensure preferential points are taken into account.

There are three bid committees in place and their functions are briefly as follows:

### Bid Specification Committee

- compiles the specifications for the procurement of goods and services by the Municipality;
- number of meetings for the financial year = 13;
- Bid Specification Committee Membership for the year of reporting was as follows:

**1 July 2010 to 31 March 2011**

- GM Technical Services
- Manager Expenditure
- Manager Legal & Estates
- Representative from Department requesting product/service.

**1 April 2011 to 30 June 2011**

- GM Technical Services
- Manager Expenditure
- Manager Legal and Estates
- Manager Income
- Representative from Department requesting product/service.

**Bid Evaluation Committee**

- evaluates bids and recommends to the bid adjudication committee, regarding award of the bid.
- number of meetings for the financial year = 24.

Bid Evaluation Committee membership for the year of reporting was as follows:

**1 July 2010 to 31 March 2011**

- GM Corporate Services
- GM Technical Services
- Assistant Manager SCM
- Project Manager.

**1 April 2011 to 30 June 2011**

- GM Corporate Services
- GM Technical Services
- Assistant Manager SCM
- Project Manager
- Senior Superintendent Protection Services.

**Bid Adjudication Committee**

- considers the report and recommendations of the Bid Evaluation Committee and depending on its delegations, makes a final award; or makes further recommendation to the accounting officer on how to proceed with relevant procurement of goods and services.
- number of meetings for the financial year = 20.

Bid Adjudication Committee membership for the year of reporting was as follows:

**1 July 2010 to 31 March 2011**

- GM Financial Services
- GM Community Services
- Manager Legal and Estates
- Manager Budget and Compliance.

**1 April 2011 to 30 June 2011**

- GM Financial Services
- GM Community Services
- Manager Legal and Estates
- Manager Budget and Compliance
- Manager – Environmental.



**LIST OF TENDERS AWARDED: 2010/2011**

| No. | Title/Description   | Awarded to                        | Total tender amount      |
|-----|---|-----------------------------------|--------------------------|
| 1.  | Alternative Energy Supply Gel                                       | Flamable Gel                      | R 1 872 000              |
| 2.  | Lifeguard services  | Tower 13 Lifeguard                | R 619 050                |
| 3.  | Beach cleaning and maintenance (Area 1)                             | Bekwa's Business Ent.             | R 831 233                |
| 4.  | Beach cleaning and maintenance (Area 2)                             | Intsikelelo Contracting & Trading | R 1 008 486              |
| 5.  | Verge maintenance (Area 1 Pennington)                               | Kadis Contractors CC              | R 417 600                |
| 6.  | Verge maintenance (Area 2 Bazley & Sezela)                          | Sesiyeza Trading                  | R 2 210 940              |
| 7.  | Verge maintenance (Area 3 Mtwalume)                                 | Intsikelelo Contracting & Trading | R 201 600                |
| 8.  | Verge maintenance (Area 4 Ifafa Beach & Elysium)                    | Nonono Contracting                | R 228 000                |
| 9.  | Verge maintenance (Area 5 Ifafa Glebe)                              | Intsikelelo Contracting & Trading | R 126 000                |
| 10. | Verge maintenance (Area 6 (Shayamoya and Esperanza)                 | Nhlo & Mandla Trading             | R 120 000                |
| 11. | Verge maintenance (Area 7 Umzinto 2)                                | Njeb's Business Ent.              | R 330 000                |
| 12. | Verge maintenance (Area 8 Umzinto 1)                                | Intsikelelo Contracting & Trading | R 222 000                |
| 13. | Verge maintenance (Area 9 Ghandhinagar)                             | Nhlo & Mandla Trading             | R 276 000                |
| 14. | Verge Maintenance (Area 10 Park Rynie)                              | East Coast Panel Paint            | R 360 000                |
| 15. | Verge maintenance (Area 11 Freeland Park and Scottburgh)            | Bahali Trading                    | R 678 000                |
| 16. | Cutting and removal of overgrown vegetation on overgrown properties | Izululethu Events Co-Ordinating   | 0.85 m <sup>2</sup>      |
| 17. | Refuse bags   | Mbalenhle Consulting Projects     | 0.44 per bag             |
| 18. | G5 quality gravel   | Anix Trading 104 CC               | 13.62 cubic metre        |
| 19. | Hiring of plant and equipment                                       | Aqua Transport and plant hire     | R 356 664                |
| 20. | Insurance services  | Indwe Risk Services               | R 400 161                |
| 21. | Implementing agent – Umzinto Slum Clearance Housing Project         | SLB Consulting                    | R 7 410 000              |
| 22. | Security services   | Ithunzi Protection Services       | As per tender            |
| 23. | Banking tender  | Standard Bank                     | As per tender            |
| 24. | Construction of Kwa-Cele Hall                                       | Allen Bros                        | R 5 241 067              |
| 25. | Government housing stock  | SLB Consulting                    | Various prices           |
| 26. | Construction of gabion basket wall: Riverside Park                  | Building Generation               | R 1 341 060              |
| 27. | Supply of petrol  | JVR Fuel Services                 | R 7 93 per litre         |
| 28. | Supply of diesel  | JVR Fuel Services                 | R 7.69 per litre         |
| 29. | Strategic Environmental Assessment                                  | Isikhungusethu Envio. Services    | R 706 224                |
| 30. | Maintenance and servicing of plant and equipment                    | Murray & Daddy Auto Centre        | R 120+ 12%               |
| 31. | Maintenance and servicing of plant and equipment                    | A & T Auto Electrical CC          | R 6 000 + 10%            |
| 32. | Supply of wheelie bins  | Chanson Trading 1090 CC           | R 39 000 each (R507 000) |
| 33. | Registry system implementation                                      | Ubuntu Business Advisory          | R 481 080                |
| 34. | Water testing for Umdoni beaches                                    | NN & MM Trading Enterprise CC     | R 54 054                 |
| 35. | New offices: Social Services (Umzinto)                              | Serengeti Projects                | R 10 516 946             |
| 36. | Supply of skip containers   | Anthony's Welding Works           | R 262 598                |
| 37. | Four-ton long wheel base truck                                      | Bates & Johnson Motors            | R 819 527                |
| 38. | Supply Chain Management software 1                                  | Bytes System Integration          | R 283 481                |
| 39. | 1.6 L: Car for traffic section                                      | Bates Motors                      | R 320 117                |
| 40. | LWB van 2.0L  | Tata North Coast                  | R 438 890                |
| 42. | 1.4 Bakkie  | Bates & Johnson                   | R 136 355                |
| 43. | 1.4 L Car   | CHM Fleet Solution                | R 262 461                |
| 44. | General Valuation Roll  | E-Valuations                      | R 2 980 161              |



The Flood Disaster projects have placed additional challenges on the Supply Chain Management systems and structures.

In order to ensure the fairness and effectiveness of the Municipality's Supply Chain processes, Provincial Treasury has, at Umdoni's request, conducted a review. This audit was finalised during the course of the year.

To further enforce the pillars of transparency, equity and fairness, Umdoni Municipality finalised the procurement of an automated SCM system.

## **Budget and Compliance Section**

Umdoni Municipality has over the past financial year entrenched the role of the budget office within the organisation. This section now plays a key role in the following financial disciplines:

- reporting to external stakeholders, e.g. National Treasury and Statistics South Africa;
- reporting to internal stakeholders via weekly and monthly variance analysis reports;
- consolidating final and adjustment Municipal budgets;
- monitoring and updating of the asset register.

In addition, a greater emphasis has been placed on interpretation of budget information by the implementation of narrative explanation reports to all portfolio committees.

Further, a concerted effort was made in order to ensure that all Umdoni's returns were timously completed and submitted to National Treasury.

Importantly, the budget regulations guided the 2011/2012 budget preparation process.

## **Implementation of the GAMAP/GRAP accounting standards**

The exemptions previously available to all medium-capacity municipalities have now been lifted, requiring almost full compliance with GAMAP/GRAP during the period under review. This has resulted in significant changes to the Municipality's year-end processes to ensure alignment to the accounting standards.

Our largest challenge, however, remains the implementation of GRAP 17, Property Plant and Equipment.

The total contribution paid to Kwanaloga during the financial year amounted to R 239 514.22.

## **Analytical review of financial status**

- Net surplus
- Year-on-year income growth
- Year-on-year expenditure growth
- Unspent conditional grants and receipts.

# Performance Reporting

## Consolidated Performance Report

| IDP indicator no. | National KPA  | Strategic objective  | Programme                  | KPI output   | Indicator  | 2009/10 target |        |                        | 2010/11 target |                                      |                        | Action plan/ corrective measure | 2011/12 target |
|-------------------|---|--|----------------------------|--------------|--|----------------|--------|------------------------|----------------|--------------------------------------|------------------------|---------------------------------|----------------|
|                   |   |  |                            |              |  | Projected      | Actual | Achieved/ not achieved | Projected      | Actual                               | Achieved/ not achieved |                                 |                |
|                   | Social and economic development                             | To implement priority projects   |                            |              | % completion   | 100% for EOI   | 50%    | Partially achieved     | N/A            | N/A                                  | N/A                    | N/A                             | N/A            |
| 3.07/3/3          | Local economic development                                  | To facilitate the rejuvenation of the tourism industry and to expand the tourism market in terms of the products available and the inclusion of people who have not had the opportunity to participate in the sector | Beachfront development     | EOI document | % completion   | N/A            | N/A    | N/A                    | 100% for EOI   | 100%                                 | Achieved               | N/A                             | N/A            |
|                   | Social and economic development                             | To implement priority projects   | Umzinto CBD Renewal        |              | No. of projects undertaken                               | One            |        | Partially achieved     | N/A            | N/A                                  | N/A                    | N/A                             | N/A            |
|                   |   |  | Park Rynie Industrial Park |              |  | N/A            | N/A    | N/A                    | Two            | Reported under Technical Services    |                        | N/A                             | N/A            |
|                   |   |  |                            |              | % completion of the implementation plan                  | 80%            | 40%    | Partially achieved     | N/A            | N/A                                  | N/A                    | N/A                             | N/A            |
| 3.07/3/2          | Local economic development                                  | To facilitate the development of the manufacturing sector in Umdoni by creating a conducive environment for economic growth  |                            |              | % completion of the implementation plan                  | N/A            | N/A    | N/A                    | 80%            | 40%                                  | Not achieved           | N/A                             | N/A            |
| IDP3.07/4/8       | Municipal transformation and institutional development      | To ensure sustainable service delivery excellence  | MTAS                       |              | Overall rating of Municipality from 3-4                  | N/A            | N/A    | N/A                    | Four           | Quarterly reports submitted to CoGTA | Achieved               | N/A                             | N/A            |
|                   | Social and economic development                             | To implement priority projects   | Shared services            |              | % implementation of development planning shared services | 100            | 100    | Achieved               | N/A            | N/A                                  | N/A                    | N/A                             | N/A            |
|                   | Institutional governance                                    | To ensure effective implementation of the IDP  | IDP                        | IDP document | % adoption of the IDP                                    | 100%           | 100%   | Achieved               | N/A            | N/A                                  | N/A                    | N/A                             | N/A            |
| IDP3.07/1/4       | Municipal transformation and institutional development      | To ensure integrated development and environmental planning  |                            |              | Assessment   | 75%            | 57%    | Not achieved           | N/A            | N/A                                  | N/A                    | N/A                             | N/A            |
|                   |   |  |                            |              | Adoption of process plan                                 | N/A            | N/A    | N/A                    | 30 Sep 2010    | Adopted                              | Achieved               | N/A                             | N/A            |
|                   |   |  |                            |              | No. of adverts   | N/A            | N/A    | N/A                    | Three          | Three                                | Achieved               | N/A                             | N/A            |
|                   |   |  |                            |              | No. of meetings held                                     | N/A            | N/A    | N/A                    | Four           | Three                                | Achieved               | N/A                             | N/A            |
|                   |   |  |                            |              | Date of submission of draft IDP                          | N/A            | N/A    | N/A                    | 31 Mar 2011    | 25 Mar 2011                          | Achieved               | N/A                             | N/A            |
|                   |   |  |                            |              | Date of adoption IDP                                     | N/A            | N/A    | N/A                    | 30 May 2011    | 13 Apr 2011                          | Achieved               | N/A                             | N/A            |
| 3.07/4            | Institutional transformation and organisational development | To enhance organisational development in line with community needs   | IDP                        | IDP document | Assessment score   | N/A            | N/A    | N/A                    | 75%            | 87%                                  | Achieved               | N/A                             | N/A            |
|                   |   |  |                            |              | Adopted IDP 2012/2013 Process Plan                       | N/A            | N/A    | N/A                    | N/A            | N/A                                  | N/A                    | N/A                             | 31 Aug 2011    |
|                   |   |  |                            |              | IDP 2012/13 Process Plan advert                          | N/A            | N/A    | N/A                    | N/A            | N/A                                  | N/A                    | N/A                             | 30 Sep 2011    |
|                   |   |  |                            |              | Advert for IDP 2012/2013 review commencement             | N/A            | N/A    | N/A                    | N/A            | N/A                                  | N/A                    | N/A                             | 30 Sep 2011    |
|                   |   |  |                            |              | Reviewed IDP 2012/2013 adopted                           | N/A            | N/A    | N/A                    | N/A            | N/A                                  | N/A                    | N/A                             | 30 Jun 2012    |
|                   |   |  |                            |              | IDP Rep Forums   | N/A            | N/A    | N/A                    | N/A            | N/A                                  | N/A                    | N/A                             | Four           |

| IDP indicator no. | National KPA  | Strategic objective   | Programme                                     | KPI output   | Indicator                                      | 2009/10 target                      |        |                        | 2010/11 target                       |             |                        |                                 | 2011/12 target                       |
|-------------------|---|---|---|--|--|-------------------------------------|--------|------------------------|--------------------------------------|-------------|------------------------|---------------------------------|--------------------------------------|
|                   |   |   |   |  |  | Projected                           | Actual | Achieved/ not achieved | Projected                            | Actual      | Achieved/ not achieved | Action plan/ corrective measure | Projected                            |
|                   | Institutional governance                                    | To ensure effective implementation of the IDP   | Strategic planning workshop                   | IDP document   | No. of strategic planning workshops undertaken | Two                                 | Two    | Achieved               | N/A                                  | N/A         | N/A                    | N/A                             | N/A                                  |
| IDP 3.07/1/4      | Municipal transformation and institutional development      | To ensure integrated development and environmental planning                           |   |  | No. of strategic planning workshops undertaken | N/A                                 | N/A    | N/A                    | Two                                  | Two         | Achieved               | N/A                             | N/A                                  |
| IDP 3.07/5/2      | Municipal transformation and institutional development      | To implement an effective organisational and individual performance management system | Performance agreements                        | Signed copies of performance agreements together with PDPs and performance plans | No. of S57 agreements signed                   | N/A                                 | N/A    | N/A                    | Five                                 | Five        | Achieved               | N/A                             | N/A                                  |
| 3.07/4            | Institutional transformation and organisational development | To enhance organisational development in line with community needs                    |   |  | No. of S57 performance contracts signed        | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | N/A                    | N/A                             | Five                                 |
|                   | Institutional governance                                    | To ensure effective implementation of the IDP   |   |  | Advert for performance contracts               | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | N/A                    | N/A                             | 30 Sep 2011                          |
|                   |   |   |   |  | % adoption of PMS                              | 100%                                | 100%   | Achieved               | N/A                                  | N/A         | N/A                    | N/A                             | N/A                                  |
| IDP 3.07/5/2      | Municipal transformation and institutional development      | To implement an effective organisational and individual performance management system | Scorecards (OPMS)                             | Signed copies of performance agreements together with PDPs and performance plans | No. of performance reports prepared            | Four                                | Four   | Achieved               | N/A                                  | N/A         | N/A                    | N/A                             | N/A                                  |
|                   |   |   |   |  | Adoption of 2011/2012 scorecards/ OPMS         | N/A                                 | N/A    | N/A                    | 30 Jun 2011                          | 13 Apr 2011 | Achieved               | N/A                             | N/A                                  |
|                   | Institutional transformation and organisational development | To enhance organisational development in line with community needs                    |   |  | Adoption of 12/13 scorecards/ OPMS             | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | N/A                    | N/A                             | 30 Jun 2012                          |
|                   |   |   |   |  | % reduction in OPMS audit queries              | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | N/A                    | N/A                             | 100%                                 |
|                   | Institutional governance                                    | To ensure effective implementation of the IDP   | SDBIP   |  | % adoption of SDBIP                            | 100%                                | 100%   | Achieved               | N/A                                  | N/A         | N/A                    | N/A                             | N/A                                  |
| IDP3.07/5/2       | Municipal transformation and institutional development      | To implement an effective organisational and individual performance management system |   | Signed copies of performance agreements together with PDPs and performance plans | Adoption of 2011/2012 SDBIP                    |                                     |        |                        | 28 days after the adoption of budget | 13 Apr 2011 | Achieved               | N/A                             | N/A                                  |
|                   | Institutional transformation and organisational development | To enhance organisational development in line with community needs                    |   |  | Adopted SDBIP 2012/2013                        | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | N/A                    | N/A                             | 28 days after the adoption of budget |
|                   |   |   | SDBIP 2012/2013 Advert                        | N/A  | N/A  | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | 31 Sept 2012           |                                 |                                      |
|                   |   | Institutional governance  | To ensure effective implementation of the IDP | Reporting  |  | No. of quarterly reviews undertaken | Four   | Four                   | Achieved                             | N/A         | N/A                    | N/A                             | N/A                                  |
| IDP3.07/5/2       | Municipal transformation and institutional development      | To implement an effective organisational and individual performance management system |   | Signed copies of performance agreements together with PDPs and performance plans | No. of quarterly reviews undertaken            | N/A                                 | N/A    | N/A                    | Four                                 | Four        | Achieved               | N/A                             | N/A                                  |
| 3.07/4            | Institutional transformation and organisational development | To enhance organisational development in line with community needs                    |   |  | Quarterly Performance Reports                  | N/A                                 | N/A    | N/A                    | N/A                                  | N/A         | N/A                    | N/A                             | Four                                 |

| IDP indicator no. | National KPA  | Strategic objective   | Programme                             | KPI output  | Indicator  | 2009/10 target                     |          |                        | 2010/11 target                     |                |                        |                                 | 2011/12 target |
|-------------------|---|---|---------------------------------------|---|--|------------------------------------|----------|------------------------|------------------------------------|----------------|------------------------|---------------------------------|----------------|
|                   |   |   |                                       |   |  | Projected                          | Actual   | Achieved/ not achieved | Projected                          | Actual         | Achieved/ not achieved | Action plan/ corrective measure | Projected      |
|                   | Social and economic development                       | To ensure that 3 000 households without grid electricity benefit from free basic energy programme: of receiving 160 litres of gel per household for the year  | Gel as alternative energy             | No. of households benefit from alternative energy | No. hh to benefit from 10 litres of gel per month  | 3 000 hh                           | 4 000 hh | Achieved               | N/A                                | N/A            | N/A                    | N/A                             | N/A            |
|                   |   |   |                                       |   | No. of gel stoves distributed  | 1 000                              | 1 000    | Achieved               | N/A                                | N/A            | N/A                    | N/A                             | N/A            |
| IDP3.07/2/1       | Basic service delivery and infrastructure development | To ensure access to free basic services for indigent households   |                                       |   | No. of new households with gel stoves  | N/A                                | N/A      | N/A                    | 1 000 hh                           | 1 000          | Achieved               | N/A                             | N/A            |
|                   |   |   |                                       |   | No. of hh receiving 7 l of gel per month   | N/A                                | N/A      | N/A                    | 5 000 h per month                  | 4 500          | Achieved               | N/A                             | N/A            |
| 3.07/2            | Basic service delivery and infrastructure             | To ensure that all communities have access to energy sources  | Commer-<br>cialising communal gardens | 30 comm-<br>unal gardens                          | No. of new households with gel stoves  | N/A                                | N/A      | N/A                    | N/A                                | N/A            | N/A                    | N/A                             | 1 000 hh       |
|                   | No. of hh receiving 7 l of gel per month              | N/A   |                                       |   | N/A  | N/A                                | N/A      | N/A                    | N/A                                | N/A            | 5 000 hh per month     |                                 |                |
|                   | Social and economic development                       | To lessen poverty in our communities through improving food security initiative   |                                       |   | Identification of one small scale farming group that will be given all necessary support to produce commercially | One                                |          |                        | N/A                                | N/A            | N/A                    | N/A                             | N/A            |
| IDP3.07/3/4       | Local economic development                            | To facilitate the expansion of the agricultural sector and to assist in the diversification of the sector to include more small producers and to expand the product range. To reduce poverty to a significant and measurable extent | Comm-<br>unal gardens                 | 30 communal gardens                               | No. of communal gardens commercial-<br>ise   | N/A                                | N/A      | N/A                    | Three                              | Three          | Partly achieved        | N/A                             | N/A            |
|                   | Social and economic development                       | To lessen poverty in our communities through improving food security initiative   |                                       |   | No. of meetings conducted with the department of agriculture   | 10                                 | 10       | Achieved               | N/A                                | N/A            | N/A                    | N/A                             | N/A            |
|                   |   |   |                                       |   | No. of meetings with agricultural associations   | Four meetings per asso-<br>ciation | 10       | Achieved               | N/A                                | N/A            | N/A                    | N/A                             | N/A            |
| IDP3.07/3/4       | Local economic development                            | To facilitate the expansion of the agricultural sector and to assist in the diversification of the sector to include more small producers and to expand the product range. To reduce poverty to a significant and measurable extent | Comm-<br>unal gardens                 | 30 communal gardens                               | Purchasing a cultivator for the agricultural tractor   | N/A                                | N/A      | N/A                    | One cultivator                     | Purch-<br>ased | Achieved               | N/A                             | N/A            |
|                   |   |   |                                       |   | Installation of small scale irrigation   | N/A                                | N/A      | N/A                    | Five communal gardens will benefit | N/A            | N/A                    | N/A                             | N/A            |
| IDP3.07/3/4       | Local economic development                            | To facilitate the expansion of the agricultural sector and to assist in the diversification of the sector to include more small producers and to expand the product range. To reduce poverty to a significant and measurable extent |                                       |   | No. of communal gardens assisted   | N/A                                | N/A      | N/A                    | 30                                 | 30             | Achieved               | N/A                             | N/A            |



| IDP indicator no. | National KPA                          | Strategic objective   | Programme                                   | KPI output         | Indicator  | 2009/10 target |        |                        | 2010/11 target |        |                        | Action plan/ corrective measure | 2011/12 target   |
|-------------------|---------------------------------------|---|---|--------------------|--|----------------|--------|------------------------|----------------|--------|------------------------|---------------------------------|--|
|                   |                                       |   |   |                    |  | Projected      | Actual | Achieved/ not achieved | Projected      | Actual | Achieved/ not achieved |                                 | Projected  |
| 3.07/3            | Local economic development and social | To create a participative and enabling environment in economic activities   |   |                    | No. of communal gardens assisted   | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 30 communal gardens assisted   |
|                   |                                       |   | Update and revise Database of NGOs and CBOs |                    | Create partnerships to address poverty alleviation                             | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Advert which calls for organisations to register in the Umdoni database                |
|                   | Social and economic development       | To lessen poverty in our communities through improving food security initiative   | One home one garden                         |                    | Identify the number of households to be assisted in having sustainable gardens | 88             | 88     | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A  |
| IDP3.07/3/4       | Local economic development            | To facilitate the expansion of the agricultural sector and to assist in the diversification of the sector to include more small producers and to expand the product range. To reduce poverty to a significant and measurable extent | Needs Analysis Campaign                     |                    | No. of hh assisted with food garden  | N/A            | N/A    | N/A                    | 90             | 18     | Partly achieved        | N/A                             | N/A  |
|                   |                                       |   |   |                    | No. of people assisted with their IDs  | 60             | 60     | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A  |
|                   |                                       |   |   |                    | No. of meetings held with Home Affairs, DSD and SASSA                          | Four           | Four   | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A  |
|                   |                                       |   |   |                    | No. of wards covered for ID campaign   | Nine           | Four   | Partially achieved     | N/A            | N/A    | N/A                    | N/A                             | N/A  |
|                   | Social and economic development       | To attract industrial investment in the Umdoni area   | Investment Policy                           |                    | % completion adopted policy  | 100%           | 0%     | Not achieved           | N/A            | N/A    | N/A                    | N/A                             | N/A  |
|                   |                                       |   | MIG/grant projects                          | 75 people employed | No. of jobs created through MIG  | 100            | 317    | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A  |
| IDP3.07/3/1       | Local economic development            | To ensure that the required support structures and institutional mechanisms are in place to promote economic growth while identifying and maximising opportunities for economic growth  |   |                    | Rotation of database   |                | 20%    | Not achieved           | N/A            | N/A    | N/A                    | N/A                             | N/A  |
|                   |                                       |   |   |                    | No. of jobs created through MIG  | N/A            | N/A    | N/A                    | 50             | 150    | Achieved               | N/A                             | N/A  |
| 3.07/1            | Spatial rationale and environment     | To enhance trade and investment facilitation in the rural areas   | 100 jobs (EPWP)                             |                    | No. of jobs created through LED projects                                       | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Engage Public Works; implement EPWP programme  |
|                   |                                       |   | Implemented LED projects                    |                    | % of implemented projects  | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Pakaging of projects; stakeholder engagement; commence with implementation of projects |
|                   |                                       |   | Signed SLA/ MoU                             |                    | No. of MoU's/ SLAs signed  | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Identification of projects; stakeholder packaging of projects                          |
|                   |                                       |   | Functional projects                         |                    | No. of developmental projects  | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             |  |
|                   |                                       |   | Jobs created                                |                    | No. of sustainable jobs created through projects                               | N/A            | N/A    | N/A                    | N/A            | N/A    | N/A                    | N/A                             |  |

| IDP indicator no.                   | National KPA                          | Strategic objective  | Programme  | KPI output         | Indicator   | 2009/10 target |           |                        | 2010/11 target  |                          |                        |   | 2011/12 target |
|-------------------------------------|---------------------------------------|--|--|--------------------|---|----------------|-----------|------------------------|---|--------------------------|------------------------|---|----------------|
|                                     |                                       |  |  |                    |   | Projected      | Actual    | Achieved/ not achieved | Projected   | Actual                   | Achieved/ not achieved | Action plan/ corrective measure             | Projected      |
| IDP3.07/3/1                         | Local economic development            | To ensure that the required support structures and institutional mechanisms are in place to promote economic growth while identifying and maximising opportunities for economic growth                               | Internal funded projects   | 75 people employed | N/A   | N/A            | N/A       | N/A                    | 25  | 15                       | Partially Achieved     | N/A   | N/A            |
|                                     |                                       |  | Commercial-ation of rural wards                                    | 75 people employed | No. of rural wards with at least one LED project            | N/A            | N/A       | N/A                    | Six wards   | Six                      | Achieved               | N/A   | N/A            |
| IDP3.07/3/3                         | Local economic development            | To facilitate the rejuvenation of the tourism industry and to expand the tourism market in terms of the products available and the inclusion of people who have not had the opportunity to participate in the sector | Market stalls  | Business support   | No. of formalised market stalls                             | N/A            | N/A       | N/A                    | 30  | 30                       | Achieved               | N/A   | N/A            |
|                                     |                                       |  |  |                    | No. of informal traders with permits                        | N/A            | N/A       | N/A                    | 30  | 15                       | Partially achieved     | N/A   | N/A            |
|                                     |                                       |  | Business support unit (stakeholders support – not office bound)    |                    | Functional business support unit                            | N/A            | N/A       | N/A                    | Establish-<br>ed business support unit by 31 March 2011 | Business plan not funded | Not achieved           | An application be forwarded to the job fund | N/A            |
| IDP3.07/3/2                         | Local economic development            | To facilitate the development of the manufacturing sector in Umdoni by creating a conducive environment for economic growth  | Review of LED Plan   | Reviewed LED plan  | Adopted LED plan  | N/A            | N/A       | N/A                    | Dec 2010  | Draft LED strategy       | Not achieved           | N/A   | N/A            |
|                                     |                                       |  | LED forum  |                    | No. of meetings held  | N/A            | N/A       | N/A                    | Three   | Three                    | Achieved               | N/A   |                |
|                                     |                                       |  | Supply chain   |                    | Developing SMME database                                    | N/A            | N/A       | N/A                    | N/A   | N/A                      | N/A                    | N/A   | N/A            |
|                                     |                                       |  |  |                    | Workshops to assist SMMEs on filling tender documents       | N/A            | N/A       | N/A                    | N/A   | N/A                      | N/A                    | N/A   | N/A            |
|                                     | Social and economic development       | To capacitate SMMEs on business skills   | SMME training  |                    | No. of SMMEs trained  | 100 SMMEs      | 156 SMMEs | Achieved               | N/A   | N/A                      | N/A                    | N/A   | N/A            |
| No. of workshops conducted on SMMEs |                                       |  |  | Four               |   | N/A            | N/A       | N/A                    | N/A   | N/A                      | N/A                    | N/A   |                |
| IDP3.07/3/2                         | Social and economic development       | To capacitate SMMEs on business skills   | SMME tourism training  | Reviewed LED plan  | No. of SMMEs trained  | 20 SMMEs       | 10 SMMEs  | Partially achieved     | N/A   | N/A                      | N/A                    | N/A   | N/A            |
| 3.07/3                              | Local economic development and social | To create a participative and enabling environment in economic activities  | SMME training  |                    | % trained   | N/A            | N/A       | N/A                    | N/A   | N/A                      | N/A                    | N/A   | 60             |
|                                     | Social and economic development       | To capacitate SMMEs on business skills   | Contractors training on costing and filling in of tender documents |                    | No. of contractors trained in tendering for government work | 50             | 22        | Partially achieved     | N/A   | N/A                      | N/A                    | N/A   | N/A            |
| IDP3.07/3/2                         | Local economic development            | To facilitate the development of the manufacturing sector in Umdoni by creating a conducive environment for economic growth  | Block manufact-uring   |                    | No. of successfully trained SMME                            | N/A            | N/A       | N/A                    | Four  | Four                     | Achieved               | N/A   | N/A            |
|                                     | Social and economic development       | To encourage participation from our rural community in the tourism economy   | Rural tourism nodes  |                    | % completion of rural tourism strategy                      | 100%           | 100%      | Achieved               | N/A   | N/A                      | N/A                    | N/A   | N/A            |

| IDP indicator no. | National KPA  | Strategic objective  | Programme                                  | KPI output                           | Indicator                            | 2009/10 target                       |              |  | 2010/11 target                       |        |                        | Action plan/ corrective measure   | 2011/12 target   |
|-------------------|---|--|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------|--|--------------------------------------|--------|------------------------|---|--|
|                   |   |  |  |                                      |                                      | Projected                            | Actual       | Achieved/ not achieved                               | Projected                            | Actual | Achieved/ not achieved |   | Projected  |
| IDP3.07/3/3       | Local economic development  | To facilitate the rejuvenation of the tourism industry and to expand the tourism market in terms of the products available and the inclusion of people who have not had the opportunity to participate in the sector | Development of tourism node                | Tourism expansion and rejuvenation   | Comprehensive business plan          | N/A                                  | N/A          | N/A  | 100% completion                      | 100%   | Achieved               | N/A   | N/A  |
|                   | Social and economic development                                     | To encourage participation from our rural community in the tourism economy   | Tourism page on the Umdoni website         |                                      | % completion of the tourism web page | 100%                                 | 5%           | Not achieved   | N/A                                  | N/A    | N/A                    | N/A   | N/A  |
| IDP3.07/3/2       | Local economic development  | To facilitate the development of the manufacturing sector in Umdoni by creating a conducive environment for economic growth  | Rehabilitation of small scale cane farmers | Agricultural expansion and diversity | Comprehensive business plan          | N/A                                  | N/A          | N/A  | 100% complete business plan          |        | Partially achieved     | N/A   | N/A  |
|                   | Institutional transformation and governance                         | To introduce detection controls in order to deter fraud on a ongoing basis   | Anti-fraud corruption strategy             | Fraud prevention plan                | % of implementation                  | % of strategies                      | 30%          | Partially achieved                                   | N/A                                  | N/A    | N/A                    | N/A   | N/A  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems |  |  |                                      | % of implementation                  | N/A                                  | N/A          | N/A  | % of strategies                      | -      | Not achieved           | MIA deals with fraud and in conjunction with Corporate Services (HR matters) deal with reports from the Presidential Hotline. Centralised fraud system currently being explored with DM | N/A  |
|                   |   | To ensure functional Internal Audit activity and Audit Committee   |  |                                      |                                      |                                      |              |  |                                      |        |                        |   |  |
| 3.07/5            | Good governance and community participation                         |  | Anti-Fraud Corruption Strategy             | Fraud prevention plan                | % of implementation                  | N/A                                  | N/A          | N/A  | N/A                                  | N/A    | N/A                    | N/A   | Identify strategies, prioritise and roll-out to roleplayers. Advise processes, informing and encouraging public involvement. Monitor and deal with issues; ongoing monitoring, evaluation and annual reporting |
|                   |   |  |  |                                      |                                      |                                      |              |  |                                      |        |                        |   |  |
|                   | Institutional transformation and governance                         | To introduce detection controls in order to deter fraud on a ongoing basis   | Fraud Prevention Officer                   |                                      |                                      | One Fraud Prevention Officer         | Not achieved | Budgetary constraints                                | N/A                                  | N/A    | N/A                    | N/A   | N/A  |
|                   |   |  |  |                                      | Compliance                           | % compliance to requirements of plan | 35%          | Partially achieved and ongoing (straddled reporting) | N/A                                  | N/A    | N/A                    | N/A   | N/A  |
|                   | Good governance, community participation and ward committee systems | To ensure functional Internal Audit Activity and Audit Committee   | Fraud Prevention Plan                      | Fraud prevention plan                | Compliance                           | N/A                                  | N/A          | N/A  | % compliance to requirements of Plan | 30%    | Partially achieved     | Included in each S57 performance contract   | N/A  |

| IDP indicator no. | National KPA  | Strategic objective  | Programme                                       | KPI output            | Indicator                               | 2009/10 target                          |        |  | 2010/11 target                          |                                       |  | Action plan/ corrective measure   | 2011/12 target   |
|-------------------|---|--|---|-----------------------|---|---|--------|--|---|---------------------------------------|--|---|--|
|                   |   |  |   |                       |   | Projected                               | Actual | Achieved/ not achieved                               | Projected                               | Actual                                | Achieved/ not achieved                               |   | Projected  |
| 3.07/5            | Good governance and community participation                         |  |   |                       | % compliance to requirements of plan    | N/A                                     | N/A    | N/A  | N/A                                     | N/A                                   | N/A  |   | Roll-out programme of policy and strategy, comply with strategy and plan; monitoring and evaluation of fraud and 'hot spots'; quarterly and annual reporting   |
|                   | Institutional transformation and governance                         | To introduce detection controls in order to deter fraud on a ongoing basis | Awareness programme – internally and externally | Fraud prevention plan | Results of the awareness programme      | % of reported cases of fraud corruption | 25%    | Partially achieved and ongoing (straddled reporting) | N/A                                     | N/A                                   | N/A  | N/A   | N/A  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit Activity and Audit Committee           |   |                       | Results of the awareness programme      | N/A                                     | N/A    | N/A  | % of reported cases of fraud corruption | 35%                                   | Partially achieved and ongoing (straddled reporting) | Included in each S57 performance contract. Re-established MSDC to aid in the roll-out programme                         | N/A  |
| 3.07/5            | Good governance and community participation                         |  |   |                       | % of reported cases of fraud corruption | N/A                                     | N/A    | N/A  | N/A                                     | N/A                                   | N/A  | N/A   | Plan and develop whistle blowing programme - Fraud Hotline, branding; structured media reporting encouraging anonymous reporting; introduce a reward system for reporting fraud and corruption which is proven to be factual; monitoring, evaluating and reporting |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee           | Presidential Hotline                            | Fraud prevention plan | Compliance                              | N/A                                     | N/A    | N/A  | % compliance to requirements of plan    | 25%                                   | Partially achieved and ongoing (straddled reporting) | Matter was revisited at the strategy session with DM. LM's process is very dependent on the DM's response (MM's forums) |  |
| 3.07/5            | Good governance and community participation                         |  |   |                       | % compliance to requirements of plan    | N/A                                     | N/A    | N/A  | N/A                                     | N/A                                   | N/A  | N/A   | Monitoring, reporting and evaluation of fraud and 'hot spots'; quarterly and annual reporting and evaluation of process  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee           | SCOPA (continued training)                      | Oversight role        | No. of members trained                  | N/A                                     | N/A    | N/A  | Six members of committee                | Annual reporting and final assessment | Achieved – new committee                             | N/A   | N/A  |



| IDP indicator no. | National KPA  | Strategic objective  | Programme                   | KPI output     | Indicator                      | 2009/10 target  |             |  | 2010/11 target  |   |  | Action plan/ corrective measure  | 2011/12 target           |
|-------------------|---|--|-----------------------------|----------------|--------------------------------|---|-------------|--|---|---|--|--|--------------------------|
|                   |   |  |                             |                |                                | Projected   | Actual      | Achieved/ not achieved                               | Projected   | Actual  | Achieved/ not achieved                               |  | Projected                |
| 3.07/5            | Good governance and community participation                         |  | SCOPA                       | Oversight role | No. of members trained         | N/A   | N/A         | N/A  | N/A   | N/A   | N/A  | N/A  | Six members of committee |
|                   |   |  |                             |                | No. of meetings                | N/A   | N/A         | N/A  | Four meetings per annum   | Annual reporting of two meetings and assessment of SCOPA    | Two meetings   | N/A  | N/A                      |
| 3.07/5            | Good governance and community participation                         |  |                             |                | No. of meetings                | N/A   | N/A         | N/A  | N/A   | N/A   | N/A  | N/A  | Four meetings per annum  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee           | Audit Committee             | Oversight role | No. of meetings                | N/A   | N/A         | N/A  | Four meetings per annum   | Annual reporting and assessment of Audit Committee          | Achieved   | N/A  | N/A                      |
| 3.07/5            | Good governance and community participation                         |  |                             |                | No. of meetings                | N/A   | N/A         | N/A  | N/A   | N/A   | N/A  | N/A  | Four meetings per annum  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee           | Performance Audit Committee | Oversight role | No. of meetings                | N/A   | N/A         | N/A  | Two meetings per annum  | Convening of meeting annual reporting and assessment of PAC | Achieved   | N/A  | N/A                      |
| 3.07/5            | Good governance and community participation                         |  |                             |                | No. of meetings                | N/A   | N/A         | N/A  | N/A   | N/A   | N/A  | N/A  | Two meetings per annum   |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional internal Audit activity and Audit Committee           | Audit Steering Committee    | Oversight role | No. of meetings                | N/A   | N/A         | N/A  | Three meetings per annum  | Annual reporting and debriefing for 2011-2012 FY            | Achieved   | N/A  | N/A                      |
| 3.07/5            | Good governance and community participation                         |  |                             |                | No. of meetings                | N/A   | N/A         | N/A  | N/A   | N/A   | N/A  | N/A  | Three meetings per annum |
|                   | Institutional transformation and governance                         | To introduce detection controls in order to deter fraud on a ongoing basis | Annual Internal Audit Plan  | Oversight role | No. of Internal Audit projects | % of projects identified from the Risk Register. % of projects on Annual Audit Plan completed | 80%. 12 Sep | Partially achieved and ongoing (straddled reporting) | N/A   | N/A   | N/A  | N/A  | N/A                      |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee           |                             |                | No. of Internal Audit projects | N/A   | N/A         | N/A  | % of projects identified from the Risk Register. % of projects on Annual Audit Plan completed | 85%. 6 May  | Partially achieved and ongoing (straddled reporting) | IT funding issues. PT has assisted in FY 2010 - 2011. SITA and Corp Services. To finalise negotiations and obtain clearance. Audit to proceed irrespective | N/A                      |

| IDP indicator no. | National KPA  | Strategic objective   | Programme                             | KPI output   | Indicator   | 2009/10 target                     |        |  | 2010/11 target                    |             |                        | Action plan/ corrective measure | 2011/12 target  |
|-------------------|---|---|---------------------------------------|--|---|------------------------------------|--------|--|-----------------------------------|-------------|------------------------|---------------------------------|---|
|                   |   |   |                                       |  |   | Projected                          | Actual | Achieved/ not achieved                               | Projected                         | Actual      | Achieved/ not achieved |                                 |   |
| 3.07/5            | Good governance and community participation                         |   |                                       |  | % of projects identified from the Risk Register. % of projects on Annual Audit Plan completed | N/A                                | N/A    | N/A  | N/A                               | N/A         | N/A                    | N/A                             | Ensure alignment of Audit Plan with Risk Register and compile/ prepare plan; approve Audit Plan; and implement Audit Plan; quarterly and annual reporting |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee                                    | Assessment of Internal Audit          | Oversight role   | % rating per evaluation report  | N/A                                | N/A    | N/A  | Evaluation Report by 30 June 2011 | 31 Aug 2011 | Still to be achieved   | N/A                             | N/A   |
|                   |   |   |                                       |  | Evaluation report by 30 June 2012   | N/A                                | N/A    | N/A  | N/A                               | N/A         | N/A                    | N/A                             | Review of evaluation questionnaire; assessment of Internal Audit by Audit Committee. Submission to Council  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit Activity and Audit Committee                                    | Assessment of Audit Committee and PAC | Oversight role   | % rating per evaluation report  | N/A                                | N/A    | N/A  | Evaluation report by 30 June 2011 | 31 Aug 2011 | Still to be achieved   | N/A                             | N/A   |
|                   |   |   |                                       |  | Evaluation report by 30 June 2012   | N/A                                | N/A    | N/A  | N/A                               | N/A         | N/A                    | N/A                             | Review of evaluation questionnaire. Appointment of sub-committee by Council; Assessment of committees by sub-committee. Submission to Council             |
|                   | Institutional transformation governance                             | To ensure that preventative measures are in place to minimise and mitigate risk on an ongoing basis | Risk Management Officer               | Risk management register and risk management committee | Appointment per no. of personnel  | One Risk Management Officer        | -      | Not achieved   | N/A                               | N/A         | N/A                    | N/A                             | N/A   |
|                   |   |   | Risk Management Committee             | Risk Management register and risk Management Committee | Appointment. No. of Committee members. % of required recruitment                              | No. of confirmed membership        | Eight  | Achieved   | N/A                               | N/A         | N/A                    | N/A                             | N/A   |
|                   |   |   |                                       |  | No. of reports to Accounting Officer  | Four reports to Accounting Officer |        |  | N/A                               | N/A         | N/A                    | N/A                             | N/A   |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee                                    |                                       |  | No. of meetings   | N/A                                | N/A    | N/A  | Four meetings per annum           | N/A         | N/A                    |                                 | N/A   |
| 3.07/5            | Good governance and community participation                         | To ensure that preventative measures are in place to minimise and mitigate risk on an ongoing basis | Risk management policy and strategy   | Risk management register and risk management committee | No. of meetings   | N/A                                | N/A    | N/A  | N/A                               | N/A         | N/A                    | N/A                             | Four meetings per annum   |
|                   | Institutional transformation governance                             |   |                                       |  | % compliance to policy requirements   | % of risks mitigated               | 40%    | Partially achieved and ongoing (straddled reporting) | N/A                               | N/A         | N/A                    | N/A                             | N/A   |

| IDP indicator no. | National KPA  | Strategic objective   | Programme   | KPI output   | Indicator   | 2009/10 target         |                               |  | 2010/11 target                                |                 |  | Action plan/ corrective measure   | 2011/12 target   |
|-------------------|---|---|---|--|---|------------------------|-------------------------------|--|---|-----------------|--|---|--|
|                   |   |   |   |  |   | Projected              | Actual                        | Achieved/ not achieved                               | Projected                                     | Actual          | Achieved/ not achieved                               |   | Projected  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee                                    |   |  | % compliance to policy requirements                             | N/A                    | N/A                           | N/A  | % of risks mitigated                          | 40%             | Partially achieved and ongoing (straddled reporting) | RMC must meet regularly. Management must attend to Risk Registers and manage same. Included in each S57 performance contract                            | N/A  |
| 3.07/5            | Good governance and community participation                         |   |   |  | % of risks mitigated  | N/A                    | N/A                           | N/A  | N/A   | N/A             | N/A  | N/A   | Roll-out programme and implementation of policy and strategy; monitoring and evaluation of risk status; quarterly and annual reporting   |
|                   | Institutional transformation governance                             | To ensure that preventative measures are in place to minimise and mitigate risk on an ongoing basis | Risk management training  | Risk management register and risk management committee | No. of officials trained  | % of officials trained | Eight members by 30 June 2010 | Partially achieved and ongoing (straddled reporting) | N/A   | N/A             | N/A  | N/A   | N/A  |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee                                    |   |  | % of officials capacitated in risk management                   | N/A                    | N/A                           | N/A  | % of officials capacitated in risk management | HODs            | Partially achieved and ongoing (straddled reporting) | Members/ officials must be familiarised with up-grades and new training programmes. The possibility of procuring a risk profiling system to be explored | N/A  |
|                   |   |   | Monitor and evaluate progressive development of the policy and procedure register | Register of policies and procedures                    | % of no. of policies/ procedure developed, reviewed and adopted | N/A                    | N/A                           | N/A  | 75% complete                                  | 60%             |  | Pro-active planning. Included into S57 performance contracts  | N/A  |
|                   |   |   |   |  | 75% complete  | N/A                    | N/A                           | N/A  | N/A   | N/A             | N/A  | N/A   | SWOT of register and performance plans and targets per dept; report to MANCO; monitor and evaluate progressive development of register; annual re-reporting and assessment of register |
| IDP3.07/5/3       | Good governance, community participation and ward committee systems | To ensure functional Internal Audit activity and Audit Committee                                    | Compliance with policies and procedures   | Register of policies and procedures                    | % compliance with policies and procedures                       | N/A                    | N/A                           | N/A  | 100% compliance                               | 100% compliance | 75%  | Pro-active planning. Included into S57 performance contracts  | N/A  |

| IDP indicator no. | National KPA                                | Strategic objective | Programme  | KPI output   | Indicator   | 2009/10 target |  |                        | 2010/11 target                |        |                        | Action plan/ corrective measure | 2011/12 target  |
|-------------------|---|---------------------|--|--|---|----------------|--|------------------------|-------------------------------|--------|------------------------|---------------------------------|---|
|                   |   |                     |  |  |   | Projected      | Actual   | Achieved/ not achieved | Projected                     | Actual | Achieved/ not achieved |                                 | Projected   |
|                   |   |                     |  |  | 100% compliance                                   | N/A            | N/A  | N/A                    | N/A                           | N/A    | N/A                    | N/A                             | Monitor, evaluate and report to MM and MANCO; annual reporting on compliance  |
|                   |   |                     | Monitor and evaluate progressive implementation of Plan of Corrective Measures for Regularity Audit  | Successfully implemented plan of corrective measures   | % of no. of action plans successfully implemented | N/A            | N/A  | N/A                    | 100% complete by 30 June 2011 | 100%   | Achieved               | N/A                             | N/A   |
| 3.07/5            | Good governance and community participation |                     |  |  | 100% complete by 30 June 2012                     | N/A            | N/A  | N/A                    | N/A                           | N/A    | N/A                    | N/A                             | Monitor and assess implementation of the 2009-2010 Plan concurrent to finalisation of AFS 2011-2012 by CFO (31 Aug); upon receipt of Audit Report 2011-2012, ensure finalisation of the Plan of Corrective Measures; submission to Audit Comm and Council; monitor and evaluate progressive implementation of plan, report to AC and Council; ensure 100% compliance of action plan |
| 3.07/5            | Good governance and community participation |                     | Monitor and evaluate progressive implementation of Plan of Corrective Measures for Performance Audit | Successfully implemented plan of corrective measures   | 100% complete by 30 June 2012                     | N/A            | N/A  | N/A                    | N/A                           | N/A    | N/A                    | N/A                             |   |
|                   |   |                     | Implementation of audit process plan and timetable   | Successfully implemented plan of corrective measures   | % compliance to timelines                         | N/A            | N/A  | N/A                    | 100% compliance               | 100%   | Achieved               | N/A                             | N/A   |
| 3.07/5            | Good governance and community participation |                     |  |  | 100% compliance                                   | N/A            | N/A  | N/A                    | N/A                           | N/A    | N/A                    | N/A                             | Submission of complete AFS and performance packs by 31 Aug 2011 to AG; audit process by AG and receipt of draft Audit Report by 30 Nov 2011; annual reporting to Council, final Audit Report, 100% compliance   |
|                   |   |                     | Malangen Rural Housing Project   | Houses constructed for people who previously resided in rural mud huts and temporary dwellings | Number of houses built                            | 400            | 726 houses were built to date and handed over to beneficiaries | Achieved               | N/A                           | N/A    | N/A                    | N/A                             | N/A   |



| IDP indicator no. | National KPA  | Strategic objective   | Programme                                   | KPI output   | Indicator   | 2009/10 target        |   |                        | 2010/11 target |                                    |                        |                                 | 2011/12 target |
|-------------------|---|---|---|--|---|-----------------------|---|------------------------|----------------|------------------------------------|------------------------|---------------------------------|----------------|
|                   |   |   |   |  |   | Projected             | Actual                                      | Achieved/ not achieved | Projected      | Actual                             | Achieved/ not achieved | Action plan/ corrective measure | Projected      |
| 3.07/2/4          | Basic service delivery and infrastructure development | To facilitate the provision of formal housing   | Malangeni Rural Housing Project             |  | Number of houses built  | N/A                   | N/A   | N/A                    | 350            | 274 houses completed               | Achieved               | N/A                             | N/A            |
|                   |   |   |   |  | Number of houses built  | 180                   | No houses built                             | Not achieved           |                | N/A                                | N/A                    | N/A                             | N/A            |
|                   |   |   | Amahlongwa rural housing                    |  | Number of houses built  | N/A                   | N/A   | N/A                    | 300            | 290 houses had been completed      | Achieved               | N/A                             | N/A            |
| 3.07/2            | Basic service delivery and infrastructure development | To ensure that the existing housing backlogs are eliminated   | Houses built                                |  | Number of Houses Built  | N/A                   | N/A   | N/A                    | N/A            | N/A                                | N/A                    | N/A                             | 650            |
|                   |   |   | Umzinto slums clearance/Farm Isonti Project |  | Number of houses built  | 300                   | No houses built                             | Not achieved           | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
| 3.07/2/4          | Basic service delivery and infrastructure development | To facilitate the provision of formal housing   | Umzinto slums clearance                     |  | Milestones achieved   | N/A                   | N/A   | N/A                    | All            | All                                | Partially achieved     | N/A                             | N/A            |
|                   |   |   | Temporary housing                           |  | No. of families relocated   | 180                   | 61  | Partially achieved     | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
|                   |   |   | Gandhinagar                                 |  | 100% policy developed and adopted by Council  | 100%                  | Policy developed but not adopted by Council | Achieved               | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
|                   |   |   |   |  | No. of houses transferred to individuals  | 100 transfers         |   | N/A                    | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
| 3.07/2/4          | Basic service delivery and infrastructure development | To facilitate the provision of formal housing   | Riverside Park                              |  | No. of houses transferred to individuals  | N/A                   | N/A   | N/A                    | 20 transfers   | 93 houses transferred              | Achieved               | N/A                             | N/A            |
|                   |   |   |   |  | No. of units transferred  | All units transferred | No transfers made                           | Not achieved           | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
| 3.07/2/4          | Social and economic development                       | To minimise the damage to life and property in Umdoni, Umzombe and Vulamehlo by being on site within 45 minutes of receiving the call | Fire  | Incident reports indicating minimal damage and response time | Milestones achieved   | N/A                   | N/A   | N/A                    | All            | All                                | Partially achieved     | N/A                             | N/A            |
|                   |   |   |   |  | No. of satellite fire stations operationalised  | Two                   | Parking shelters and offices identified     | Achieved               | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
|                   |   |   |   |  | No. of workshops conducted for fire prevention awareness  | Four                  | Four  | Achieved               | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
|                   |   |   |   |  | % of existing staff trained   | 50%                   | 100% full time staff                        | Achieved               | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
|                   |   |   |   |  | % completion of business inspections and building plans conducted within seven days of receipt of application | 100%                  | 100% received plans                         | Achieved               | N/A            | N/A                                | N/A                    | N/A                             | N/A            |
| IDP3.07/3/7       | Basic service delivery and infrastructure development | Providing safety and security measures for local communities and road users   | Fire fighting                               | Incident reports indicating minimal damage and response time | No. of existing staff trained   | N/A                   | N/A   | N/A                    | 16             | Staff are trained on a daily basis | Achieved               | N/A                             | N/A            |
|                   | Social and economic development                       | To minimise the damage to life and property in Umdoni, Umzombe and Vulamehlo by being on site within 45 minutes of receiving the call | Risk Management Plan                        |  | % of successful assessments in the nine wards   | 100%                  | 100% (all wards)                            | Achieved               | N/A            | N/A                                | N/A                    | N/A                             | N/A            |

| IDP indicator no. | National KPA  | Strategic objective   | Programme  | KPI output   | Indicator  | 2009/10 target   |   |   | 2010/11 target   |   |                        | Action plan/ corrective measure | 2011/12 target |
|-------------------|---|---|--|--|--|--|---|---|--|---|------------------------|---------------------------------|----------------|
|                   |   |   |  |  |  | Projected  | Actual  | Achieved/ not achieved  | Projected  | Actual  | Achieved/ not achieved |                                 |                |
| IDP3.07/3/7       | Basic service delivery and infrastructure development               | Providing safety and security measures for local communities and road users                           | Education and promotion of fire drills and awareness     | Incident reports indicating minimal damage and response time | No. of fire drills and awareness in all schools within Umdoni    | N/A  | N/A   | N/A   | 19 schools   | 22 awareness campaigns in 22 schools have been completed  | Achieved               | N/A                             | N/A            |
|                   | Infrastructure and service delivery                                 | Build 1 100 formal houses in Umdoni and relocate 180 families from the temporary housing by June 2010 | Consumer education                                       |  | No. of workshops   | Four   | Achieved  | 4th Consumer Education interrupted by community but staff were at the venue | N/A  | N/A   | N/A                    | N/A                             | N/A            |
| 3.07/2/4          | Basic service delivery and infrastructure development               | To facilitate the provision of formal housing   | Consumer education                                       |  | No. of workshops   | N/A  | N/A   | N/A   | Four   | Four workshops completed in Malangen, Aman-dawe, temporary housing and Kwa Cele                       | Achieved               | N/A                             | N/A            |
|                   | Social and economic development                                     | Promoting mass participation in sporting activities   | Sports development sponsorship                           |  | No. of sports leagues supported                                  | Volleyball, netball and rugby leagues sponsored                                  |   |   | N/A  | N/A   | N/A                    | N/A                             | N/A            |
|                   |   |   | Umdoni Sports Indaba and launch of Umdoni Sports Council |  |  | All sporting codes participate in the Sports Indaba; part of Sports Council      | All sporting codes participate in the Sports Indaba; part of Sports Council     | Achieved  | N/A  | N/A   | N/A                    | N/A                             | N/A            |
| IDP3.07/3/7       | Good governance, community participation and ward committee systems | Promoting mass participation in sporting facilities   | Support of sporting leagues and development initiatives  | Annual sporting programmes                                   | No. of sports associations supported                             | N/A  | N/A   | N/A   | Two sporting associations supported financially  | Netball and soccer teams have been assisted to participate in the district and provincial tournaments | Achieved               | N/A                             | N/A            |
|                   | Social and economic development                                     | Promoting mass participation in sporting activities   | Umdoni Mayoral Cup                                       | Annual sporting programmes                                   | 100% tournament hosted or no. of sporting codes?                 | Soccer (M+F), netball (M+F), cricket, volleyball participating in the tournament | Soccer (M+F), netball (M+F), cricket, volleyball participated in the tournament | Achieved  | N/A  | N/A   | N/A                    | N/A                             | N/A            |
| IDP3.07/3/7       | Good governance, community participation and ward committee systems |   |  |  | No. of tournaments hosted and no. of sporting codes participated | N/A  | N/A   | N/A   | One tournament hosted and four sports codes (soccer (M), netball (M+F), cricket, volleyball) | The Mayoral Cup finals were held on 14 & 15 May 2011  | Achieved               | N/A                             | N/A            |
|                   | Social and economic development                                     |   | SALGA KZN Games 2009                                     |  | Participation in SALGA Games with sport codes participating      | 90% of sport codes representing Umdoni Municipality                              | 95% of sport codes participated in the games and presented Umdoni Municipality  | Achieved  | N/A  | N/A   | N/A                    | N/A                             | N/A            |

| IDP indicator no. | National KPA  | Strategic objective  | Programme  | KPI output   | Indicator   | 2009/10 target   |   |                        | 2010/11 target   |  |                        | Action plan/ corrective measure | 2011/12 target                                 |
|-------------------|---|--|--|--|---|--|---|------------------------|--|--|------------------------|---------------------------------|--|
|                   |   |  |  |  |   | Projected  | Actual  | Achieved/ not achieved | Projected  | Actual   | Achieved/ not achieved |                                 | Projected                                      |
| IDP3.07/3/7       | Good governance, community participation and ward committee systems | Promoting mass participation in sporting facilities                                  | Kwanaloga Games 2010                                       | Annual sporting programmes   | No. of Councillors participated in Kwanaloga Games                          | N/A  | N/A   | N/A                    | Four Councillors   | Four Councillors participated in the Kwanaloga Games   | Achieved               | N/A                             | N/A  |
|                   |   |  |  |  | No. of sports codes part of preparations and selections for Kwanaloga Games | N/A  | N/A   | N/A                    | Six sports codes (soccer, netball, volleyball, cricket, athletics, and indigenous games) | Six sports codes participated in the games: soccer, volleyball, netball, athletics, golf, indigenous games | Achieved               | N/A                             | N/A  |
|                   |   |  |  |  | No. of track-suits and other promotional material bought for the games      | N/A  | N/A   | N/A                    | 20 track-suits, caps, bags, shorts and t-shirts  | Promotional materials have been purchased  | Achieved               | N/A                             | N/A  |
| 3.07/3            | Local economic development and social                               | To promote human rights and social upliftment of vulnerable groups                   | Coordinate youth development programmes                    |  | No. of Mayor's Cup Games hosted and sports codes participating              | N/A  | N/A   | N/A                    | N/A  | N/A  | N/A                    | N/A                             | One tournament with three sports codes         |
|                   |   |  |  |  | No. of Kwanaloga Games participated in                                      | N/A  | N/A   | N/A                    | N/A  | N/A  | N/A                    | N/A                             | Preparations and local selection               |
|                   |   |  |  |  | Registration fees bursaries awarded to matriculants                         | N/A  | N/A   | N/A                    | N/A  | N/A  | N/A                    | N/A                             | Calling for applications; 15 bursaries awarded |
|                   | Social and economic development                                     | Promoting and facilitating social development of youth                               | Annual Youth Vezikhono Talent Show                         |  | No. of annual show successfully hosted                                      | One youth Vezikhono Talent Show successfully held      | One youth Vezikhono Talent Show successfully hosted     | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A  |
|                   |   |  | National Youth Service Programme – Proud to Serve Campaign |  | One five-day Proud to Serve Campaign held                                   | Minimum of 200 youth people recruited in the programme | Proud to Serve Campaign, four soccer teams participated | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A  |
|                   |   |  | Youth Council quarterly meetings                           |  | No. of quarterly meetings held in a year                                    | Four youth council meetings                            | Two youth Council meetings                              | Partially achieved     | N/A  | N/A  | N/A                    | N/A                             | N/A  |
| IDP3.07/3/7       | Good governance, community participation and ward committee systems | Promoting mass participation in sporting facilities                                  | Youth Development Summit                                   | Youth talent identified and nurtured. Participating in community upliftment programmes | Youth Development Summit successfully held                                  | N/A  | N/A   | N/A                    | Successful summit held with a minimum of 40 delegates                                    | Youth Development Summit was held on 1 Dec-2010  | Achieved               | N/A                             | N/A  |
|                   | Social and economic development                                     | To provide clean and safe beaches within the jurisdiction of the Umdoni Municipality | Beach cleaning and maintenance                             |  | 100% clean beaches  | 100% beaches to be cleaned within Umdoni Municipality  | 100%  | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A  |
| IDP3.07/2/7       | Basic service delivery and infrastructure development               | To construct new community and public facilities and maintaining existing structures | Provision of parking facilities in beaches                 | Safe environment for all beach users   | Income generated from parking fees  | N/A  | N/A   | N/A                    | R250 000   | R261 669.16  | Achieved               | N/A                             | N/A  |
|                   | Social and economic development                                     | To provide clean and safe beaches within the jurisdiction of the Umdoni Municipality | Seasonal night markets                                     |  | No. of seasonal night markets undertaken                                    | Three  | Three   | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A  |

| IDP indicator no. | National KPA  | Strategic objective   | Programme  | KPI output   | Indicator  | 2009/10 target   |  |                        | 2010/11 target  |  |                        | Action plan/ corrective measure | 2011/12 target                                |
|-------------------|---|---|--|--|--|--|--|------------------------|---|--|------------------------|---------------------------------|---|
|                   |   |   |  |  |  | Projected  | Actual   | Achieved/ not achieved | Projected   | Actual   | Achieved/ not achieved |                                 | Projected                                     |
| IDP3.07/2/7       | Basic service delivery and infrastructure development | To construct new community and public facilities and maintaining existing structures                        | Provision of parking facilities in Park Rynie Campsite | Safe environment for all beach users   | Income generated from parking fees                     | N/A  | N/A  | N/A                    | R400 000  | R564 748.95  | Achieved               | N/A                             | N/A   |
|                   | Social and economic development                       | To provide a formalised ranking facility in the Umzinto area  | CCTV   |  | Technical Report                                       | Technical Report completed                               | Technical Report completed                             | Achieved               |   | N/A  | N/A                    | N/A                             | N/A   |
|                   |   |   | Traffic management system                              |  | Procure a traffic management system                    | Traffic management system procured                       | Not procured   | Not achieved           | N/A   | N/A  | N/A                    | N/A                             | N/A   |
| IDP3.07/3/7       | Basic service delivery and infrastructure development | Providing safety and security measures for local communities and road users                                 | Additional learners classes                            | Improved safety of school children on our roads. Increased learner classes                   | No. of additional classes                              | N/A  | N/A  | N/A                    | Three   | 15 additional classes completed                      | Achieved               | N/A                             | N/A   |
|                   |   |   | Scholar patrol education                               |  | No. of scholar patrol awareness and education          | N/A  | N/A  | N/A                    | Eight   | 17 scholar patrols education and awareness conducted | Achieved               | N/A                             | N/A   |
| IDP3.07/2/7       | Basic service delivery and infrastructure development | To construct new community and public facilities and maintaining existing structures                        | Upgrading of Ghandhinagar community centre             | Improved condition of community facilities   | No. of community facilities upgraded                   | N/A  | N/A  | N/A                    | One   | The upgrade has been completed                       | Achieved               | N/A                             | N/A   |
| 3.07/2            | Basic service delivery and infrastructure             | Improve, expand and maintain existing infrastructure  | Upgraded crèche  |  | No. of crèches   | N/A  | N/A  | N/A                    | N/A   | N/A  | N/A                    | N/A                             | Completion of crèche upgrade                  |
|                   |   |   | Upgraded sportsfields (KwaCele-ablution)               |  | No. of sports-fields                                   | N/A  | N/A  | N/A                    | N/A   | N/A  | N/A                    | N/A                             | Completion of upgrade of Kwacele Sports field |
|                   | Social and economic development                       | To be able to create an electronic database and manage all community  | Programme for booking of facilities                    |  | Electronic booking in place                            | Operationalised electronic booking                       | Booking system procured and set up                     | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A   |
| IDP3.07/2/7       | Basic service delivery and infrastructure development | To construct new community and public facilities and maintaining existing structures                        | Hiring of community facilities                         | Improved condition of community facilities   | Income generated from hiring of facilities             | N/A  | N/A  | N/A                    | R300 000  | R335 448   | Achieved               | N/A                             | N/A   |
|                   |   |   | Provision of parking facilities in beaches             |  | Income generated from parking fees                     | R188 000   | R211 703   | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A   |
|                   |   |   | Provision of parking facilities in Park Rynie campsite |  | Income generated from parking fees                     | R210 000   | R331 123   | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A   |
|                   | Social and economic development                       | Facilitation of social upliftment of OVCs   | Orphans and vulnerable forum establishment             |  | Launch of OVC Forum                                    | Umdoni OVC Forum launched                                | OVC Forum not launched                                 | Not achieved           | N/A   | N/A  | N/A                    | N/A                             | N/A   |
|                   |   |   | Dress a School Child Programme                         | Well cared for orphans and vulnerable children   | No. of deserving OVCs benefiting from the programme    | .... OVCs benefiting with 15% of OVCs in primary schools | 150 children benefitted in 83% of primary schools (15) | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A   |
| IDP3.07/3/8       | Local economic development                            | To promote the human rights of the special groups whilst empowering them to be respected members of society |  |  | Number of deserving OVCs benefiting from the programme | N/A  | N/A  | N/A                    | 150 OVCs benefiting (10 of OVCs per targeted primary) | 270 scholars benefitted from the programme           | Achieved               | N/A                             | N/A   |
|                   | Social and economic development                       | Promoting and facilitating social development of youth  | Umdoni Bursary Fund                                    | Youth talent identified and nurtured. Youth participating in community upliftment programmes | No. of deserving matriculants awarded bursaries        | Five matriculants awarded bursaries                      | 13 matriculants awarded bursaries                      | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A   |



| IDP indicator no. | National KPA                          | Strategic objective  | Programme                                     | KPI output   | Indicator   | 2009/10 target  |   |                        | 2010/11 target                                   |  |                        | Action plan/ corrective measure  | 2011/12 target                       |
|-------------------|---------------------------------------|--|---|--|---|---|---|------------------------|--|--|------------------------|--|--------------------------------------|
|                   |                                       |  |   |  |   | Projected   | Actual                                      | Achieved/ not achieved | Projected  | Actual   | Achieved/ not achieved |  |                                      |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups while empowering them to be respected members of society     |   |  | No. of registration fees bursaries awarded to matriculants      | N/A   | N/A   | N/A                    | 15   | Completed (12 matriculants were awarded with bursaries)  | Achieved               | N/A  | N/A                                  |
|                   |                                       |  | Life skills and leadership training programme | Youth talent identified and nurtured. Youth participating in community upliftment programmes | No. of life skills programmes conducted for youth out of school | N/A   | N/A   | N/A                    | Two training programmes conducted                | Not achieved   | Not achieved           | Life skills for youth out of school is important and hence will receive priority in the 2011/2012 budget | N/A                                  |
|                   | Social and economic development       | To ensure an efficient and effective developmental local government and create a culture of service excellence | Thusong Centre in Amahlongwa                  |  | % completion of securing funding                                | Source funding approval from CoGTA                                  | Negative response received from CoGTA - KZN | Not achieved           | N/A  | N/A  | N/A                    | N/A  | N/A                                  |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups whilst empowering them to be respected members of society    | Induction and capacity building               | Social upliftment of people with disabilities  | No. of Disability Forum members trained and inducted            | N/A   | N/A   | N/A                    | 10 disability forum members inducted and trained | The Induction and capacity building training was held on 5-6 May 2011 at Malangen MPCC                 | Achieved               | N/A  | N/A                                  |
|                   |                                       |  | Disability programmes and initiatives         | Social upliftment of people with disabilities  | No. of proposals/ programmes identified                         | N/A   | N/A   | N/A                    | One project/ initiative with impact implemented  | Wheel chairs and walking sticks were procured  | Achieved               | N/A  | N/A                                  |
|                   | Social and economic development       | Promoting and facilitating social development of people with disabilities                                      | International Day for the Disabled            | Social upliftment of people with disabilities  | Participation and/or hosting the annual celebration             | Participation/ hosting in annual International Day for the Disabled |   |                        | N/A  | N/A  | N/A                    | N/A  | N/A                                  |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups whilst empowering them to be respected members of society    |   |  | No. of people participated in the annual celebration            | N/A   | N/A   | N/A                    | 120 people with disabilities                     | Partnered with Ugu District and participating members from Umdoni were transported to the celebrations | Achieved               | N/A  | N/A                                  |
| 3.07/3            | Local economic development and social | To promote human rights and social upliftment of vulnerable groups   |   |  | International Day for Disabled celebration                      | N/A   | N/A   | N/A                    | N/A  | N/A  | N/A                    | N/A  | One celebration held/participated in |
|                   | Social and economic development       | Promoting and facilitating social development of people with disabilities                                      | Basket Weaving Project                        |  | Basket weaving material brought                                 | Basket weaving material bought for targeted beneficiaries           |   |                        | N/A  | N/A  | N/A                    | N/A  | N/A                                  |

| IDP indicator no. | National KPA                          | Strategic objective   | Programme  | KPI output  | Indicator  | 2009/10 target  |  |                        | 2010/11 target   |  |                        | Action plan/ corrective measure | 2011/12 target                          |
|-------------------|---------------------------------------|---|--|---|--|---|--|------------------------|--|--|------------------------|---------------------------------|---|
|                   |                                       |   |  |   |  | Projected   | Actual   | Achieved/ not achieved | Projected  | Actual   | Achieved/ not achieved |                                 |   |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups whilst empowering them to be respected members of society | 'One Home one Garden' Programme                  | Well coordinated gender programmes                  | No. of households supported with garden tools and equipment            | N/A   | N/A  | N/A                    | 40 households  | Procured 30 hoes, watering cans, fertilisers and different seeds | Achieved               | N/A                             | N/A                                     |
|                   | Social and economic development       | Promoting and facilitating social development of women  | Gender Forum capacity building workshop          | Well coordinated gender programmes                  | No. of workshops for Umdoni Gender Forum held                          | One workshop for Umdoni Gender Forum                      | One workshop Umdoni Gender Forum held                                      | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A                                     |
|                   |                                       |   | Financial support to women agricultural groups   |   | Women agricultural groups funded                                       | Four agricultural women groups funded                     | 60 women from Ward 2 and nine funded with farming seeds                    | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A                                     |
|                   |                                       |   | Women's Day celebration                          |   | Participation and/or hosting the annual celebration                    | At least one celebration hosted or participated in        | No event hosted but a group of ladies participated in the provincial event | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A                                     |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups whilst empowering them to be respected members of society | Women's Day celebration                          |   | Participation and/or hosting the annual celebration                    | N/A   | N/A  | N/A                    | One celebration hosted or participated in              | The celebration was hosted in August 2010                        | Achieved               | N/A                             | N/A                                     |
| 3.07/3            | Local economic development and social | To promote human rights and social upliftment of vulnerable groups  | Women's Day celebration                          |   | Women's month celebration programme held                               | N/A   | N/A  | N/A                    | N/A  | N/A  | N/A                    | N/A                             | One celebration held or participated in |
|                   | Social and economic development       | Promoting healthy nation and reducing rate of new infections by 50% by 2011                                 | HIV and AIDS awareness campaign                  | Well coordinated and effective awareness programmes | Awareness campaigns held   | Five campaigns held in five schools                       | Five campaigns held in five schools  | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A                                     |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups whilst empowering them to be respected members of society | HIV and AIDS awareness campaign                  | Well coordinated and effective awareness programmes | No. of awareness campaigns held  | N/A   | N/A  | N/A                    | Three campaigns held in three targeted wards           | Completed. Three awareness campaigns were held                   | Achieved               | N/A                             | N/A                                     |
| 3.07/3            | Local economic development and social | To promote human rights and social upliftment of vulnerable groups  |  | Well coordinated and effective awareness programmes | No. of education and awareness programmes hosted                       | N/A   | N/A  | N/A                    | N/A  | N/A  | N/A                    | N/A                             | Two                                     |
|                   | Social and economic development       | Promoting healthy nation and reducing rate of new infections by 50% by 2011                                 | Branded condom and femidom dispensing containers |   | No. of condom and femidom dispensers installed in community facilities | 50% installation (three community facilities)             | Three community facilities and four other facilities                       | Achieved               | N/A  | N/A  | N/A                    | N/A                             | N/A                                     |
| IDP3.07/3/8       | Local economic development            | To promote the human rights of the special groups whilst empowering them to be respected members of society | High schools life skills and sexuality programme | Well coordinated and effective awareness programmes | No. of life skills programmes conducted in high schools                | N/A   | N/A  | N/A                    | Two programmes conducted per two targeted high schools | Not completed  | Not achieved           | N/A                             | N/A                                     |
|                   | Social and economic development       | Promoting healthy nation and reducing rate of new infections by 50% by 2011                                 | Umdoni Local AIDS Council                        |   | No. of meetings and workshops held                                     | Four Umdoni LAC meetings and one workshop participated in |  | Not achieved           | N/A  | N/A  | N/A                    | N/A                             | N/A                                     |

| IDP indicator no. | National KPA  | Strategic objective   | Programme   | KPI output   | Indicator  | 2009/10 target                             |   |                        | 2010/11 target  |  |                        | Action plan/ corrective measure | 2011/12 target   |
|-------------------|---|---|---|--|--|--|---|------------------------|---|--|------------------------|---------------------------------|------------------|
|                   |   |   |   |  |  | Projected                                  | Actual  | Achieved/ not achieved | Projected   | Actual   | Achieved/ not achieved |                                 | Projected        |
| IDP3.07/3/8       | Local economic development                                  | To promote the human rights of the special groups whilst empowering them to be respected members of society |   |  | No. of meetings and workshops held                       | N/A  | N/A   | N/A                    | Four Umdoni LAC meetings and one workshop participated in | Two LAC meetings have been held                    | Partially achieved     | N/A                             | N/A              |
|                   | Social and economic development                             | Promoting healthy nation and reducing rate of new infections by 50% by 2011                                 | Wards AIDS Councils HIV and AIDS, TB and STD Workshop                 |  | Workshops held in all nine wards                         | 100% wards: nine AIDS Councils workshopped | No wards AIDS Councils workshopped  | Not achieved           | N/A   | N/A  | N/A                    | N/A                             | N/A              |
| IDP3.07/3/8       | Local economic Development                                  | To promote the human rights of the special groups whilst empowering them to be respected members of society | Immune boosting protein porridge                                      | Well co-ordinated and effective awareness programmes | No. of 500 g sachets bought                              | N/A  | N/A   | N/A                    | 1 000 of 500 g sachets bought                             | Immune-boosting protein porridge has been procured | Achieved               | N/A                             | N/A              |
|                   | Social and economic development                             | To provide a formalised ranking facility in the Umzinto area  | Umzinto Bus Rank  |  | Council approval/ resolution                             | Council approval/ resolution               | Land identified   | Partially achieved     | N/A   | N/A  | N/A                    | N/A                             | N/A              |
|                   |   |   | Umzinto taxi rank extension   |  | % completion of the plan                                 | 100%                                       | Project transferred to be dealt with by Municipal Manager's department                        | -                      | N/A   | N/A  | N/A                    | N/A                             | N/A              |
| 3.07/4            | Institutional transformation and organisational development | To ensure transparency and accessible institution   | Strengthened/ foster relations – streamlined implementation processes |  | No. of meetings convened with the following departments: |  |   |                        |   |  |                        |                                 |                  |
|                   |   |   |   |  | Dept of Justice  |  |   |                        |   |  |                        |                                 | Six              |
|                   |   |   |   |  | Dept of Transport  | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | Three            |
|                   |   |   |   |  | SAPS   | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | 27               |
|                   |   |   |   |  | Dept of Human Settlement                                 | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | 15               |
|                   |   |   |   |  | Dept of Land Affairs                                     | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | Three            |
|                   |   |   |   |  | Dept of Agriculture & Environment                        | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | Two              |
|                   |   |   |   |  | Road Traffic Inspectorate                                | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | Four             |
|                   | Financial management  | To ensure sound asset management which is aligned to GRAP and LG Best Practices                             | Implement the asset management plan                                   |  | % completion adopted plan                                | 100% completed asset maintenance plan      | An asset framework has been developed, workshopped and adopted by the June MANCO              | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A              |
|                   |   |   |   |  | No. of staff workshopped on plan                         | 20 staff workshopped on plan               | Staff were workshopped during the budget process and a subsequent management workshop in June | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A              |
|                   |   |   |   |  | % of indexing completed                                  | 90% completion of indexing of new assets   | 100% movables. 75% immovables   | Achieved               | N/A   | N/A  | N/A                    | N/A                             | N/A              |
|                   |   |   |   |  | % of development and implementation of plan              | N/A  | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A                             | 100% development |
|                   |   |   | Componentisation of Asset Register                                    |  | Componentised asset register                             | Componentised asset register               | The immovables have been completed  | Partially achieved     | N/A   | N/A  | N/A                    | N/A                             | N/A              |

| IDP indicator no. | National KPA                       | Strategic objective   | Programme  | KPI output  | Indicator   | 2009/10 target  |   |                        | 2010/11 target                           |   |                        | Action plan/ corrective measure | 2011/12 target   |
|-------------------|------------------------------------|---|--|---|---|---|---|------------------------|--|---|------------------------|---------------------------------|--|
|                   |                                    |   |  |   |   | Projected   | Actual  | Achieved/ not achieved | Projected                                | Actual                                      | Achieved/ not achieved |                                 | Projected  |
|                   | Financial management and viability | Identify and mitigate risks that may impair our ability to achieve an unqualified audit report  | Maintain unqualified Audit Report                |   | Status of Audit Report                              | Unqualified Audit Report  | Un qualified Audit report achieved for the 2008/ 2009 financial year. A plan of corrective measures developed to address weaknesses | Achieved               | N/A                                      | N/A   | N/A                    | N/A                             | N/A  |
| 3.07/6            | Municipal financial viability      | To ensure financial sustainability  | Clean audit report                               |   | Reduction in number of audit queries raised         | N/A   | N/A   | N/A                    | N/A                                      | N/A   | N/A                    | N/A                             | Full implementation of 2009/2010 audit action plan; developed 100%; 50% implementing action plan 2010/2011 |
|                   | Financial management and viability | To ensure effective and efficient revenue and cash management and improved collection levels  | Credit Control and Debt Collection Policy        |   | % adoption and implementation of policy             | 100% reviewed, adopted policy by officials understanding the policy | Policy reviewed, adopted by Council and implemented   | Achieved               | N/A                                      | N/A   | N/A                    | N/A                             | N/A  |
|                   |                                    |   |  |   | No. of officials workshopped on policy              | One workshop of policy to officials and councillors                 | Debt recovery sub-committee established and procedures workshopped to officials   | Achieved               |  | N/A   | N/A                    | N/A                             | N/A  |
|                   | Financial Management               | To create a financially viable and sustainable municipality   | Review Debt Collection and Credit Control policy | Reduction in outstanding debt and increased cash flow | Council resolution adopting amended policy          | N/A   | N/A   | N/A                    | Reviewed, adopted and implemented policy | Policy reviewed and adopted                 | Achieved               | N/A                             | N/A  |
| 3.07/6            | Municipal financial viability      | To ensure financial sustainability  | Increased debt collection/ decreased debt        |   | % debt actioned                                     |   |   |                        |  |   |                        | N/A                             | 100% debt actioned; Report to council on collection challenges   |
|                   |                                    |   | Increased number of tariffs                      |   | No. of revenue streams identified                   | N/A   | N/A   | N/A                    | N/A                                      | N/A   | N/A                    | N/A                             | Two  |
|                   | Financial management and viability | To maintain an efficient and enabling supply chain management service which contributes towards development objectives (job creation and local economic development) and is legally compliant | SCM Policy                                       | Transparent and credible SCM                          | 100% policy approved                                | 100% adopted, reviewed, and implemented policy and procedures       | Revised policy adopted, monthly reports are submitted directly to Council regarding deviations, tender awards and quotations        | Achieved               | N/A                                      | N/A   | N/A                    | N/A                             | N/A  |
|                   |                                    |   |  |   | No. of officials trained/ understanding policy      | 25 officials trained on reviewed policy                             | Policy review formed part of the budget   | Partially achieved     | N/A                                      | N/A   | N/A                    | N/A                             | N/A  |
|                   |                                    |   |  |   | No. of vulnerable groups/PDIs workshopped on policy | 50 individuals educated on SCM Policy                               |   |                        | N/A                                      | N/A   | N/A                    | N/A                             | N/A  |
| IDP3.07/6/3       | Financial management               | To create an Intergovernmental platform to ensure that the roll out of overlapping services benefit from the economies of scale   | Work shopping on SCM policies and procedures     | Transparent and credible SCM                          | No. of workshops held                               | N/A   | N/A   | N/A                    | Two workshops held for the year          | Two workshops held via management workshops | Achieved               | N/A                             | N/A  |



| IDP indicator no. | National KPA                       | Strategic objective   | Programme                              | KPI output  | Indicator   | 2009/10 target  |  |                        | 2010/11 target                           |   |                        | Action plan/ corrective measure | 2011/12 target                      |
|-------------------|------------------------------------|---|--|---|---|---|--|------------------------|--|---|------------------------|---------------------------------|-------------------------------------|
|                   |                                    |   |  |   |   | Projected   | Actual   | Achieved/ not achieved | Projected                                | Actual  | Achieved/ not achieved |                                 |                                     |
|                   |                                    |   | Implementation of automated SCM system | Transparent and credible SCM                          | Automated SCM system  | N/A   | N/A  | N/A                    | Implemented automated SCM system         | SCM system awarded, however implementation delayed                          | Partially achieved     | N/A                             | N/A                                 |
| 3.07/6            | Municipal financial viability      | To ensure financial sustainability  | Credible database                      |   | % improvement on current database   | N/A   | N/A  | N/A                    | N/A                                      | N/A   | N/A                    | N/A                             | Implementation of SCM software 100% |
|                   | Financial management and viability | To maintain an efficient and enabling supply chain management service which contributes towards development objectives (job creation and local economic development) and is legally compliant | SCM business processes                 | Transparent and credible SCM                          | MANCO resolution of adoption of service level agreements                              | Adopted and implemented service level agreements and procedures | The procedures including timeframes have been adopted by MANCO                                     | Achieved               | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
| IDP3.07/6/3       | Financial management               | To create an Intergovernmental platform to ensure that the roll out of overlapping services benefit from the economies of scale   | Review business process                |   | MANCO resolution adopting process   | N/A   | N/A  | N/A                    | Reviewed, adopted and implemented policy | The policy was reviewed with ongoing implementation                         | Partially achieved     | N/A                             | N/A                                 |
|                   |                                    | To measure the adequacy of the income department in responding to customer queries  | Issue of customer care feedback forms  |   | The improvement of the rating of the efficiency of the income section                 | 40 reports  |  |                        | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   |                                    | To investigate the unused modules within SAMRAS   | Investigation of unused SAMRAS modules |   | No. of assessment reports completed   | Six   |  |                        | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   | Financial management and viability | To ensure effective and efficient revenue and cash management and improved collection levels  | Realistic revenue streams              | Transparent and credible SCM                          | No. of revenue streams identified and income received in Rands value from each stream | Income streams identified                                       | All revenue streams reviewed – now new streams identified and three tariffs re-structured          | Achieved               | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   |                                    |   | Handover of debtors to attorneys       |   | No. of days between completion of internal processes and handover                     | Seven working days  | All legal processes are now handled in-house up to and including sales in execution, if undefended | Partially achieved     | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   |                                    |   | Handover debt management (internal)    | Reduction in outstanding debt and increased cash flow | No. of debtors handed over  | 510   | 1 314  | Partially achieved     | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   |                                    |   |  |   | Value of debt recovered in Rands  | 5.5 million   | R18 973 672  | Partially achieved     | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   |                                    |   | Handover debt management (internal)    |   | No. of monthly progress report  | 12 quality reports  | Reports are submitted to every sitting of debt recovery sub-committee                              | Achieved               | N/A                                      | N/A   | N/A                    | N/A                             | N/A                                 |
|                   |                                    |   |  |   | Handover debt management (internal)   | N/A   | N/A  | N/A                    | 30 days from date of default             | 90 from default on all monthly accounts /30 days from default on all annual | Achieved               | N/A                             | N/A                                 |

| IDP indicator no. | National KPA                       | Strategic objective   | Programme  | KPI output  | Indicator   | 2009/10 target                              |   |                        | 2010/11 target  |  |                        | Action plan/ corrective measure  | 2011/12 target  |
|-------------------|------------------------------------|---|--|---|---|---|---|------------------------|---|--|------------------------|--|---|
|                   |                                    |   |  |   |   | Projected                                   | Actual  | Achieved/ not achieved | Projected   | Actual   | Achieved/ not achieved |  | Projected   |
|                   |                                    | Reduced turnaround time for investigations  | Completion of investigations                           |   | Turn-around time of one month                                       | One month                                   |   |                        | N/A   | N/A  | N/A                    | N/A  | N/A   |
|                   |                                    | To ensure effective and efficient revenue and cash management and improved collection levels  | Chronological categorisation of debt by recoverability | Reduction in outstanding debt and increased cash flow | No. of debtors: implementation of debt category specific procedures | % per category debt recovered               | Collection procedures continue to be developed and standardised e.g. AODs and collection of rental debt. Reports are now reported on collections per category | N/A                    | N/A   | N/A  | N/A                    | N/A  | N/A   |
| IDP3.07/6/1       | Financial management               | To create a financially viable and sustainable municipality   |  |   | Percentage collection per category                                  | N/A   | N/A   | N/A                    | 40% collection on old debt and 85-90% on current debt | 40% of old debt collected. 80-90% collection on current debt | Partially achieved     | N/A  |   |
| 3.07/6            | Municipal financial viability      | To ensure financial sustainability  | Implementation of TOC                                  |   | % increase in existing revenue                                      | N/A   | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A  | Gap analysis report; implementation                       |
|                   |                                    |   | Cost reflective TOC                                    |   | % of operational costs recouped                                     | N/A   | N/A   | N/A                    | N/A   | N/A  | N/A                    | N/A  | Gap analysis report & inclusion draft TOC; implementation |
| IDP3.07/6/1       | Financial management               | To create a financially viable and sustainable municipality   | Risk management committee meetings                     | Identify risks within the organisation                | No. of meetings held  | N/A   | N/A   | N/A                    | Four per year   | Four meetings scheduled                                      | Achieved               | N/A  | N/A   |
|                   |                                    |   | Compilation of Risk Register                           | Identify risks within the organisation                | Approved risk register  | N/A   | N/A   | N/A                    | Approval of risk register                             | Approved by RMC on the 7 Sep 2011                            | Partially achieved     | The 2011/ 2012 Risk Register finalisation process shall be accelerated | N/A   |
|                   |                                    |   | Develop a strategy                                     | Identified revenue streams                            | Approved strategy   | N/A   | N/A   | N/A                    | Developed strategy                                    | Draft key focus areas identified                             | Not achieved           | Requested PT to pilot policy with Umdoni                               | N/A   |
|                   |                                    |   | Review policy  | Identified revenue streams                            | Council resolution adopting amended policy                          | N/A   | N/A   | N/A                    | Reviewed, adopted and implemented policy              | New revenue streams identified                               | Partially              | N/A  | N/A   |
|                   | Financial management and viability | To maintain an efficient and enabling supply chain management service which contributes towards development objectives (job creation and local economic development) and is legally compliant | Budget, cash-flow understanding and accountability     |   | No. of staff and councillors workshopped                            | 100% management and councillors workshopped | 100% councillors & management workshopped   | Achieved               | N/A   | N/A  | N/A                    | N/A  | N/A   |
| IDP3.07/6/1       | Financial management               | To create a financially viable & sustainable municipality   | Implementing appeals register                          |   | No. of successful appeals   | N/A   | N/A   | N/A                    | Less than 10%   | N/A  | N/A                    | N/A  | N/A   |

| IDP indicator no. | National KPA  | Strategic objective   | Programme   | KPI output | Indicator  | 2009/10 target   |  |                        | 2010/11 target |        |                        | Action plan/ corrective measure | 2011/12 target  |
|-------------------|---|---|---|------------|--|--|--|------------------------|----------------|--------|------------------------|---------------------------------|---|
|                   |   |   |   |            |  | Projected  | Actual   | Achieved/ not achieved | Projected      | Actual | Achieved/ not achieved |                                 | Projected   |
|                   |   | To maintain an efficient and enabling supply chain management service which contributes towards development objectives (job creation and local economic development) and is legally compliant | Contract management   |            | 100% measurable rating performance management system for contractors developed and implemented | 100% reviewed and implemented processes for performance valuations | A process for payments have been adopted by MANCO in order to avoid a repeat of the AG query which occurred in the prior year. Further aspects of contract is contained within the MBD forms which shall be continuously developed | Partially achieved     | N/A            | N/A    | N/A                    | N/A                             | N/A   |
|                   |   |   |   |            | No. of officials workshopped on the above-mentioned system                                     | 25 officials work-shopped on contract management approach          | All HODs work-shopped  | Partially achieved     | N/A            | N/A    | N/A                    | N/A                             | N/A   |
| 3.07/6            | Municipal financial viability                               | To ensure financial sustainability  | Four workshops relating to financial matters  |            | No. of workshops conducted relating to financial matters                                       | N/A  | N/A  | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Four  |
|                   | Institutional transformation and governance                 | To ensure development and implementation of WSP, training needs analysis; learnership programmes for the unemployed persons and unemployed graduates by 30 June 2009                          | ABET  |            | No. of staff trained   | 20 workers   |  | Not achieved           | N/A            | N/A    | N/A                    | N/A                             | N/A   |
| 3.07/4            | Institutional transformation and organisational development | To ensure a trained staff complement  | Computer literacy training. ABET – for general workers. Supervisory skills training. Minimum competency levels. ELMDP Partnership Programme |            | % of completed training programmes   | N/A  | N/A  | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Prioritise and roll-out of training programme as per the WSP  |
| 3.07/4            | Institutional transformation and organisational development | To ensure a capacitated staff complement  | Five departmental succession plans  |            | No. of departmental succession plans approved by MANCO   | N/A  | N/A  | N/A                    | N/A            | N/A    | N/A                    | N/A                             | All depts to prepare and submit draft plans to HR/ MANCO. Approval of consolidated plan by MANCO. Ongoing implementation of Succession Plan |

| IDP indicator no. | National KPA  | Strategic objective  | Programme                       | KPI output  | Indicator   | 2009/10 target                                 |  |                        | 2010/11 target            |                               |                        |                                 | 2011/12 target |
|-------------------|---|--|---------------------------------|---|---|--|--|------------------------|---------------------------|-------------------------------|------------------------|---------------------------------|----------------|
|                   |   |  |                                 |   |   | Projected                                      | Actual   | Achieved/ not achieved | Projected                 | Actual                        | Achieved/ not achieved | Action plan/ corrective measure | Projected      |
|                   |   |  | Succession plans implementation |   | % implementation of departmental succession plans                         |  |  |                        |                           |                               |                        |                                 |                |
|                   | Institutional transformation and governance                         | To ensure development and implementation of WSP, training needs analysis; learnership programmes for the unemployed persons and unemployed graduates by 30 June 2009 | Specialist technical training   |   | No. of staff trained  | Five artisans                                  | 43 staff trained in road patching, Kerb laying and construction of V-drains                                      | Achieved               | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |
|                   |   |  | First Aid                       |   | No. of staff obtaining certificate of competence                          | 13 field based staff                           | Training is scheduled for 5 July 2010 - 7 July 2010  | Achieved               | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |
|                   |   |  | Learnerships                    |   | No. of learners skilled   | 15 unemployed persons and unemployed graduates | 15   | Achieved               | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |
|                   |   |  | Councillor training oversight   |   | No. of Councillors trained  | 18 – all Councillors                           | DLGTA presentation on Councillor oversight and roles and responsibilities (Mr Lionel Pienaar & Mr John Johnsons) | Achieved               | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |
| 3.07/5/1          | Good governance, community participation and ward committee systems | To foster meaningful relations with all communities in the affairs of the municipality and to eradicate unethical behavior   | Mayoral Imbizo                  | No. of Mayoral Izimbizo held  | N/A   | N/A  | N/A  | Four Mayoral Izimbizo  | Six Mayoral Izimbizo held | Achieved                      | N/A                    |                                 |                |
|                   | Institutional transformation and governance                         | To ensure effective, timeous, relevant and frequent external communications on a continuous basis  |                                 | No. of Mayoral Izimbizo held. No. of matters raised and issues attended to and resolved | Four Mayoral Izimbizo   | Four   | Achieved   | N/A                    | N/A                       | N/A                           | N/A                    | N/A                             |                |
|                   |   |  |                                 | IDP Budget Roadshows  | No. of roadshows held. No. of matters raised and issues attended resolved | Four roadshows                                 | Four   | Achieved               | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |
| 3.07/5/1          | Good governance, community participation and ward committee systems | To foster meaningful relations with all communities in the affairs of the municipality and to eradicate unethical behavior   | IDP/Budget Roadshows            |   | No. of roadshows held   | N/A  | N/A  | N/A                    | Four IDP roadshows        | Five IDP and Budget Roadshows | Achieved               | N/A                             | N/A            |
|                   | Institutional transformation and governance                         | To ensure effective, timeous, relevant and frequent external communications on a continuous basis  | Media briefings on SDBIP        |   | No. of media briefings held   | Four media briefings: one per quarter          |  | Partially achieved     | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |
|                   |   |  | Press articles                  |   | No. of press articles released  | Minimum 48 press articles per annum            |  |                        | N/A                       | N/A                           | N/A                    | N/A                             | N/A            |



| IDP indicator no. | National KPA  | Strategic objective  | Programme   | KPI output  | Indicator   | 2009/10 target                            |   |                        | 2010/11 target                      |   |                        | Action plan/ corrective measure                                | 2011/12 target  |
|-------------------|---|--|---|---|---|---|---|------------------------|-------------------------------------|---|------------------------|--|---|
|                   |   |  |   |   |   | Projected                                 | Actual  | Achieved/ not achieved | Projected                           | Actual  | Achieved/ not achieved |  |   |
| 3.07/5/1          | Good governance, community participation and ward committee systems | To foster meaningful relations with all communities in Municipality affairs and to eradicate unethical behavior            |   |   | No. of press articles released  | N/A                                       | N/A   | N/A                    | Minimum 48 press articles per annum | 42 press articles   | Achieved               | N/A  | N/A   |
|                   | Institutional transformation and governance                         | To ensure effective, timeous, relevant and frequent external communications  | Council newsletter                                  |   | No. of newsletters produced   | Four quarterly newsletters                |   | Not achieved           | N/A                                 | N/A   | N/A                    | N/A  | N/A   |
|                   | Good governance, community participation and ward committee systems | To foster meaningful relations with all communities in the affairs of the Municipality and to eradicate unethical behavior |   |   | No. of newsletters produced   | N/A                                       | N/A   | N/A                    | Four quarterly newsletters          | N/A   | Not achieved           | Newsletter covering previous quarters currently underway       | N/A   |
|                   |   |  | Effective administration of ward councils           |   | Appointment of ward committee secretariat. Appointment of ward committees | N/A                                       | N/A   | N/A                    | N/A                                 | N/A   | N/A                    | N/A  | N/A   |
|                   | Institutional transformation and governance                         | To strengthen participatory governance through functional and effective ward committees on an ongoing basis                | Effectively functioning WCs                         | 10 ward committees trained, each meeting on a quarterly basis, with each ward committee having had two community meetings and 100% auctioning of minutes of ward committees | No. of secretaries trained  | Five ward committee secretaries trained   | Nine ward committee secretaries were trained  | Achieved               | N/A                                 | N/A   | N/A                    | N/A  | N/A   |
|                   |   |  |   |   | % of items actioned by HODs from ward committees                          | 100% auctioning of relevant items by HODs | Approx. 70% matters raised were addressed to committees by relevant HOD's and about 30% matters were referred to other sector departments | Achieved               | N/A                                 | N/A   | N/A                    | N/A  | N/A   |
| 3.07/5/1          | Good governance, community participation and ward committee systems | To foster meaningful relations with all communities in the affairs of the municipality and to eradicate unethical behavior |   |   | No. of ward committees receiving training                                 | N/A                                       | N/A   | N/A                    | 10                                  | Nine ward committees trained. (Seven training programmes) | Achieved               | N/A  | N/A   |
|                   |   |  |   |   | % of items processed by HODs from ward committee minutes                  | N/A                                       | N/A   | N/A                    | 100%                                | 100%  | Achieved               |  | N/A   |
|                   |   |  |   |   | No. of community meetings convened per ward committees                    | N/A                                       | N/A   | N/A                    | One meeting convened per ward       | Two   | Partially achieved     | Capacity building  | N/A   |
|                   |   |  |   |   | No. of ward committee meetings held                                       | N/A                                       | N/A   | N/A                    | 40                                  | 26 ward committee meetings held                           | Partially achieved     | Strict compliance to be monitored by the office of the Speaker | N/A   |
| 3.07/5            | Good governance and community participation                         | To ensure functionality of ward committees   | Capacitate ward committees to achieve functionality |   | No. of functional ward committees in terms of the GTA Calculator          | N/A                                       | N/A   | N/A                    | N/A                                 | N/A   | N/A                    | N/A  | Roll-out and implement programme to 10 wards  |
|                   |   |  | Capacity building workshop                          |   | No. of capacity building workshops in rural ward committees               | N/A                                       | N/A   | N/A                    | N/A                                 | N/A   | N/A                    | N/A  | Roll-out & implement programme to 10 wards. Monitoring and Evaluation Report to Council and CoGTA |

| IDP indicator no. | National KPA                                | Strategic objective  | Programme   | KPI output | Indicator   | 2009/10 target                                       |  |                        | 2010/11 target    |   |   | Action plan/ corrective measure | 2011/12 target |
|-------------------|---|--|---|------------|---|--|--|------------------------|-------------------|---|---|---------------------------------|----------------|
|                   |   |  |   |            |   | Projected  | Actual                                   | Achieved/ not achieved | Projected         | Actual  | Achieved/ not achieved  |                                 | Projected      |
|                   | Institutional transformation and governance | To ensure effective, timely, relevant and frequent external communications on a continuous basis   | Integration of public participation through ward committees |            | No. of PP interventions in rural areas                | Three PP interventions in rural areas per department | Three                                    | Achieved               | N/A               | N/A   | N/A   | N/A                             | N/A            |
|                   |   | To strengthen participatory governance through functional and effective ward committees on an ongoing basis  | Monitor scheduled ward committee meetings                   |            | No. of meetings held                                  | Four meetings held by each ward committee            | Four ward committees have complied fully | Partially achieved     | N/A               | N/A   | N/A   | N/A                             | N/A            |
|                   |   | To appoint two additional staff members within the HR section by the end of Nov 2009   | HR manager  |            | No. of HR managers recruited, inducted & working      | One HR manager                                       | One HR manager                           | Achieved               | N/A               | N/A   | N/A   | N/A                             | N/A            |
|                   |   | Improved compliance with HR legislation, labour stability and peace, openness and transparency and the ability to obtain maximum productivity of staff | Annual review of existing policies                          |            | No. of policies reviewed                              | Five reviewed HR policies                            | Four policies                            | Partially achieved     | N/A               | N/A   | N/A   | N/A                             | N/A            |
|                   |   |  | New HR policies   |            | No. of policies developed                             | A total of 10 new policies by end March 2010         | Three new policies                       | Partially achieved     | N/A               | N/A   | N/A   | N/A                             | N/A            |
| 3.07/4/2          |   |  | HR Strategy   |            | Date of adoption of HR strategy                       | N/A  | N/A                                      | N/A                    | Feb 2011          | F&A - Feb 2011. LLF – Feb 2011  | Achieved  | N/A                             | N/A            |
|                   |   |  |   |            | Workshop of staff on HR strategy                      |  |  |                        | One               | Adoption – Mar 2011 draft HR strategy tabled at Feb 2011 F&A, item submitted to Feb 2011 LLF  |   |                                 |                |
|                   |   |  | HR Policies   |            | No. of policies compiled/ reviewed and adopted        | N/A  | N/A                                      | N/A                    | Four new policies |   | Partially achieved  | N/A                             | N/A            |
|                   |   | To provide effective and efficient human resources management services   |   |            |   |  |  |                        | Four reviews      | Two new policies developed – sexual harassment and experiential learning. Two policies reviewed – one policy reviewed – study leave policy – adopted by Council 30 Mar 2011 and subsistence and travel policy |   |                                 |                |
|                   |   | To appoint two additional staff members within the HR section by the end of Nov 2009   | Recruitment of SDF  |            | No. of SDF recruited, inducted and working            | One SDF recruited                                    |  |                        | N/A               | N/A   | N/A   | N/A                             | N/A            |
|                   |   |  | Training  |            | No. of staff trained in specialist technical training | N/A  | N/A                                      | N/A                    | 40 staff trained  | 30 staff trained in this field  | Achieved. 60 staff trained in specialist technical training (15 bricklaying, 15 plumbing, 15 V-drain, and 15 kerb laying) | N/A                             | N/A            |

| IDP indicator no. | National KPA  | Strategic objective   | Programme   | KPI output | Indicator  | 2009/10 target                                       |                            |                        | 2010/11 target       |                        |  | Action plan/ corrective measure   | 2011/12 target  |
|-------------------|---|---|---|------------|--|--|----------------------------|------------------------|----------------------|------------------------|--|---|---|
|                   |   |   |   |            |  | Projected  | Actual                     | Achieved/ not achieved | Projected            | Actual                 | Achieved/ not achieved                                 |   | Projected   |
| 3.07/4/2          | Institutional transformation and organisational development | To provide effective and efficient human resources management services  |   |            | No. of staff trained for First Aid   | N/A  | N/A                        | N/A                    | 10                   | 10 staff trained       | Achieved   | N/A   | N/A   |
|                   |   |   |   |            | No. of Councillors trained on oversight  | N/A  | N/A                        | N/A                    | 19                   | 10 Councilors trained  | Partially achieved                                     | N/A   | N/A   |
|                   |   |   |   |            | No. of trainees/ interns capacitated   | N/A  | N/A                        | N/A                    | Five                 | Seven interns          | Achieved. Seven interns appointed effective 1 Oct 2010 | N/A   | N/A   |
|                   |   |   |   |            | No. of managers trained on disciplinary hearings   | N/A  | N/A                        | N/A                    | 12                   | Seven managers trained | Partially achieved                                     | Training will be resuscitated first quarter 2011/2012 FY  | N/A   |
| 3.07/4/1          | Institutional Transformation and organisational development | To ensure that the Municipality has sufficient institutional capacity so as to ensure quality and sustainable service delivery            | On line enquiry for rates                                       |            | 100% purchase of software  | N/A  | N/A                        | N/A                    | Purchase of software | N/A                    | Partially achieved                                     | Rolled over to new FY due budgetary constraints   | N/A   |
|                   |   | To ensure that service delivery issues are dealt with at all levels of the municipality and are implemented accordingly                   | Service delivery improvement                                    |            | No. of departmental reports on service delivery  | One report per department                            |                            | Partially achieved     | N/A                  | N/A                    | N/A  | N/A   | N/A   |
|                   |   |   |   |            | Action plan  | One action plan report                               | One action plan report     | Achieved               | N/A                  | N/A                    | N/A  | N/A   | N/A   |
|                   |   |   |   |            | Reports on MSDC – action plan  | Monthly progress reports                             | Monthly progress reports   | Achieved               | N/A                  | N/A                    | N/A  | N/A   | N/A   |
|                   |   | To conduct an IT infrastructure assessment in all Municipal offices over a three-year phased in period and improve IT internal procedures | Switchboard and telephonic systems                              |            | % reduction of traffic on switchboard  | 50% reduction of traffic on switchboard by July 2009 |                            | Achieved               | N/A                  | N/A                    | N/A  | N/A   | N/A   |
|                   |   |   | Develop an electronic document and complaints management system |            | % of saving on paper and stationery vote   | 30% reduction in paper trail June 2011               |                            | Partially achieved     | N/A                  | N/A                    | N/A  | N/A   | N/A   |
|                   |   |   |   |            | No. of feedback reports – track and trace  |  | Target is due in June 2011 |                        |                      |                        |  |   |   |
|                   |   |   | Engagement with SITA  |            | No. of reports and action plan   | One assessment report                                |                            | Partially achieved     | N/A                  | N/A                    | N/A  | N/A   | N/A   |
|                   |   |   | Quarterly sessions – IGR meetings                               |            | No. of sessions conducted  | N/A  | N/A                        | N/A                    | N/A                  | N/A                    | N/A  | N/A   | Four  |
| 3.07/6            | Municipal financial viability                               | To reduce employee-related costs by 2014 to an acceptable level   | Annual workplans. Quarterly performance assessments             |            | % roll-out of the PMS tool to lower levels of the organisation                           | N/A  | N/A                        | N/A                    | N/A                  | N/A                    | N/A  | Review PMS and framework to include identified levels of management; workshopping and management and labour; 10% roll-out |   |
|                   |   |   | Task/work plans   |            | % of improvement in performance measurement through weekly/ monthly/quarterly work plans | N/A  | N/A                        | N/A                    | N/A                  | N/A                    | N/A  | N/A   | Develop, roll-out and workshop – labour consultation. Ongoing monitoring, evaluation and reporting. Identify and address troubleshoot areas |

| IDP indicator no. | National KPA  | Strategic objective   | Programme                                    | KPI output | Indicator  | 2009/10 target                                    |   |                        | 2010/11 target                          |                |                        | Action plan/ corrective measure                              | 2011/12 target  |
|-------------------|---|---|--|------------|--|---|---|------------------------|---|----------------|------------------------|--|---|
|                   |   |   |  |            |  | Projected   | Actual  | Achieved/ not achieved | Projected                               | Actual         | Achieved/ not achieved |  | Projected   |
|                   |   | To conduct an IT infrastructure assessment in all Municipal offices over a three-year phased in period and improve IT internal procedures | IT procedure manual (job cards)              |            | % of job card logs attended to   | 80%   |   | Achieved               | N/A                                     | N/A            | N/A                    | N/A  | N/A   |
| 3.07/4/9          | Institutional transformation and organisational development | To provide effective information communication technology solutions   | IT Infrastructure & equipment                |            | No. of servers procured. Cabling/ wireless connections   | N/A   | N/A   | N/A                    | One server. 100% linkage/ communication | N/A            | Partially achieved     | Rolled over to new FY due budgetary constraints              | N/A   |
|                   | Institutional transformation and governance                 | To ensure that the Municipal Website is utilised to it's full potential by June 2010  | Hit counter                                  |            | No. of users who log onto the site   | 1 500 hits  | 7 644 users have logged onto site                   | Achieved               | N/A                                     | N/A            | N/A                    | N/A  | N/A   |
|                   |   |   | Customer Care online feedback forms          |            | No. of forms that are completed  | 50 feed back forms received                       | Over 180 feedback forms received                    | Achieved               | N/A                                     | N/A            | N/A                    | N/A  | N/A   |
| 3.07/5            | Good governance and community participation                 | To introduce customer survey evaluation programme   | Customer satisfaction surveys                |            | No. of internal and external customer survey   | N/A   | N/A   | N/A                    | N/A                                     | N/A            | N/A                    | N/A  | Workshop and consultation for roll-out of survey questionnaire  |
|                   |   | To have an effective complaints management system   | Awareness programmes (complaints management) |            | No. of internal and external awareness programmes  | N/A   | N/A   | N/A                    | N/A                                     | N/A            | N/A                    | N/A  | Develop and finalise system (ACCESS). Workshoping and consultation on implementation of system                    |
|                   |   |   | Roll-out of complaints management system     |            | % of complaints attended to  |   |   |                        |   |                |                        |  | Implementation of system. Ongoing monitoring, evaluation and reporting. Identify and address troubleshoot areas   |
|                   |   |   | Online enquiries for rates                   |            | % completed feasibility study. No. of ratepayers who are able to enquire their accounts online | 100% completed                                    | 100% assessment feasibility study undertaken        | Achieved               | N/A                                     | N/A            | N/A                    | N/A  | N/A   |
| 3.07/4/9          | Institutional transformation and organisational development | To provide effective information communication technology solutions   | Web site management                          |            | Fully compliant with legislated requirements   | N/A   | N/A   | N/A                    | 100% compliance                         | 80% compliance | Partially achieved     | Staff capacity – occasion by resignation of website designer | N/A   |
| 3.07/5            | Good governance and community participation                 | To implement communication strategy   | Newsletter                                   |            | No. of newsletters issued  | N/A   | N/A   | N/A                    | N/A                                     | N/A            | N/A                    | N/A  | Review community strategy   |
|                   |   |   | Updated website                              |            | % of website update  |   |   |                        |   |                |                        |  | Implementation of strategy. Ongoing monitoring, evaluation and reporting. Identify and address troubleshoot areas |
|                   | Institutional transformation and governance                 | To ensure compliance with the principles of contract and leases within the applicable legislative requirements                            | Maintenance of contracts/ leases registers   |            | No. of contracts listed/ registered  | 100 % of compliance with the listing of contracts | 63 leases. 185 agreements. 100% compliance achieved | Achieved               | N/A                                     | N/A            | N/A                    | N/A  | N/A   |

| IDP indicator no. | National KPA  | Strategic objective   | Programme   | KPI output | Indicator  | 2009/10 target                                     |                                       |                        | 2010/11 target                                   |  |                        | Action plan/ corrective measure   | 2011/12 target |
|-------------------|---|---|---|------------|--|--|---------------------------------------|------------------------|--|--|------------------------|---|----------------|
|                   |   |   |   |            |  | Projected  | Actual                                | Achieved/ not achieved | Projected  | Actual                                       | Achieved/ not achieved |   | Projected      |
| 3.07/4/7          | Institutional transformation and organisational development | To ensure effective administrative support services   |   |            | No. of contracts listed/ registered  | N/A  | N/A                                   | N/A                    | 100% of compliance with the listing of contracts | 95% compliance. Monitored on a monthly basis | Achieved               | N/A   | N/A            |
|                   | Institutional transformation and governance                 | To enhance awareness of registry procedures and to improve document management system within the Municipality by Feb 2010 | Staff trainings/ workshops                                  |            | No. of staff workshopped   | 30 staff workshopped                               | 11 staff trained                      | Partially achieved     | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   |   | Dissemination of the registry manual departmentally         |            | No. of registry manuals disseminated   | 50 registry manuals disseminated                   |                                       | Partially achieved     | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   | To ensure the effective disposal of Council properties with the aim of generating revenue by August 2009                  | Technical inspections of the properties                     |            | No. of properties inspected  | Technical reports for 20 properties                | 23 properties inspected and evaluated | Achieved               | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   |   | Valuation of property                                       |            | No. of valuation certificate   | Valuations of 20 properties                        | 20 valuations were completed          | Achieved               | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   |   | Tender process  |            | No. of tenders awarded   | 20 properties advertised and 12 properties awarded |                                       | Partially achieved     | N/A  | N/A  | N/A                    | N/A   | N/A            |
| 3.07/4/7          | Institutional transformation and organisational development | To ensure effective administrative support services   | Delegations of authority between Council and administration |            | % compliance with the updated register   | N/A  | N/A                                   | N/A                    | 100% compliance                                  | 100% compliance                              | Achieved               | N/A   | N/A            |
|                   |   |   | Appointment of a registry specialist on contractual basis   |            | % of improvement on efficiency   | N/A  | N/A                                   | N/A                    | 50% improvement in efficiency                    | 45%  | Partially achieved     | Letter to the Department of Arts and Culture and other possible funders was forwarded for financial support | N/A            |
|                   |   |   | Fuel management controls                                    |            | % compliance with fuel management schedule                                     | N/A  | N/A                                   | N/A                    | 100% compliance with the schedule                | 40% compliance                               | Partially achieved     | Appointment of FM. Strengthen the accountability by individual HODs   | N/A            |
|                   | Institutional transformation and governance                 | To enhance service delivery by ensuring the provision of a cost effective fleet management system by Feb 2010             | Maintenance and roll out of fleet management software       |            | Installation of software   | FM software installed                              |                                       | Not achieved           | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   |   |   |            | No. of users trained   | ...users trained                                   |                                       | Not achieved           | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   |   | Monitoring, implementation of FMP                           |            | % level of compliance. No. of policy contraventions dealt with through the FMC | 55% compliance. No. of contraventions dealt with   |                                       | Partially achieved     | N/A  | N/A  | N/A                    | N/A   | N/A            |
|                   |   |   | Fleet management committee                                  |            | No. of monthly meetings held and reports submitted to MANCO                    | Eight  | Six FMC                               | Partially achieved     | N/A  | N/A  | N/A                    | N/A   | N/A            |
| 3.07/4/7          | Institutional transformation and organisational development | To ensure effective administrative support services   | Effective functioning of fleet monitoring committee         |            | One meeting per month  | N/A  | N/A                                   | N/A                    | Eight sets of minutes                            | Five meetings. Five sets of minutes          | Partially achieved     | N/A   | N/A            |



| IDP indicator no. | National KPA  | Strategic objective   | Programme  | KPI output | Indicator   | 2009/10 target                           |  |                        | 2010/11 target                   |                                       |                        | Action plan/ corrective measure                       | 2011/12 target |
|-------------------|---|---|--|------------|---|--|--|------------------------|----------------------------------|---------------------------------------|------------------------|---|----------------|
|                   |   |   |  |            |   | Projected                                | Actual   | Achieved/ not achieved | Projected                        | Actual                                | Achieved/ not achieved |   | Projected      |
|                   |   | To enhance service delivery by ensuring the provision of a cost effective fleet management system by Feb 2010   | Branding of vehicles   |            | % fleet branded   | N/A                                      | N/A  | N/A                    | 50% vehicles branded             | Partially achieved                    | Budgetary constraints  | Funds were allocated during the budget review process | N/A            |
|                   |   |   | Training   |            | No. of staff trained  | Two                                      |  |                        | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |
|                   |   |   | Tabling of Annual Report   |            | Tabling of the Annual Report in Jan 2010  | Tabling of the Annual Report in Jan 2010 | Annual Report adopted at Council meeting – 24 Feb 2010. Annual Report distributed to all Councillors and other stake-holders | Achieved               | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |
| 3.07/5/2          | Good governance. Community participation and ward committee systems | To implement an effective organisational and individual performance management system   |  |            | % compliance with applicable framework  | N/A                                      | N/A  | N/A                    | 100% compliance                  | 100% compliance                       | Achieved               | N/A   | N/A            |
| 3.07/5            | Good governance and community participation                         | To enhance organisational development in line with community needs  |  |            | Date of adoption of annual reports  | N/A                                      | N/A  | N/A                    | N/A                              | N/A                                   | N/A                    | N/A   | Apr 2012       |
|                   |   | To ensure effective, timeless, relevant and frequent external communications on a continuous basis  | Community outreach programmes                                    |            | No. of community outreach programmes held. Statistics on people assisted by different stakeholders involved | 12 community outreach programmes         | 15 community outreach programmes held  | Achieved               | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |
| 3.07/5/1          | Good governance, community participation and ward committee systems | To foster meaningful relations with all communities in the affairs of the Municipality and to eradicate unethical behavior  | Community outreach programmes (customer care van)                |            | No. of community outreach programmes  | N/A                                      | N/A  | N/A                    | 12 community outreach programmes | 11 community outreach programmes held | Achieved               | N/A   |                |
|                   |   | To provide support to staff who have social, economic challenges on an ongoing basis and on a needs basis   | Substance/ alcohol abuse counselling<br>HIV and AIDS counselling |            | No. of cases of support received  | 100% support facilitated                 |  | Partially achieved     | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |
|                   |   |   | Domestic violence counselling                                    |            |   |  |  | Partially achieved     | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |
|                   |   | To ensure that the Council oversight role is exercised in an effective and on a regular basis in respect of the terms of reference for Council structures and delegations | Management brainstorm session                                    |            |   |  |  | Achieved               | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |
|                   |   |   | Roles and responsibilities                                       |            | No. of workshops on roles and responsibilities  | One workshop                             | Workshop held and full discussion of document undertaken   | Achieved               | N/A                              | N/A                                   | N/A                    | N/A   | N/A            |

| IDP indicator no. | National KPA                      | Strategic objective   | Programme  | KPI output           | Indicator   | 2009/10 target  |  |                        | 2010/11 target |             |                        | Action plan/ corrective measure | 2011/12 target   |
|-------------------|-----------------------------------|---|--|----------------------|---|---|--|------------------------|----------------|-------------|------------------------|---------------------------------|--|
|                   |                                   |   |  |                      |   | Projected   | Actual   | Achieved/ not achieved | Projected      | Actual      | Achieved/ not achieved |                                 | Projected  |
| 3.07/6            | Municipal financial viability     | To reduce employee-related costs by 2014 to an acceptable level   | Review organogram (ERC)  |                      | Annual review of organogram   | N/A   | N/A  | N/A                    | N/A            | N/A         | N/A                    | N/A                             | Annual review of organogram in line with budget process  |
|                   |                                   |   | Filling of positions that are vacant through natural attrition and retirement                                    |                      | % of positions addressed by natural attrition and retirement  | N/A   | N/A  | N/A                    | N/A            | N/A         | N/A                    | N/A                             | Quarterly monitoring and evaluation of departmental plans  |
|                   |                                   |   | Implementation of employment equity plan   |                      | % employment of equity target groups  | N/A   | N/A  | N/A                    | N/A            | N/A         | N/A                    | N/A                             | Ongoing implementation of EEP-MANCO reports  |
|                   |                                   |   | Filling of critical posts  |                      | Annual review of organogram specific to critical position in line with annual budget. Filling of identified budgeted critical positions | N/A   | N/A  | N/A                    | N/A            | N/A         | N/A                    | N/A                             | Review organogram and identify critical positions. Ensure budget for critical positions and follow policy of recruitment |
|                   |                                   |   | Implementation of WSP  |                      | % Municipal budget spent on implementing WSP  | N/A   | N/A  | N/A                    | N/A            | N/A         | N/A                    | N/A                             | Ongoing implementation of WSP  |
|                   | Infrastructure and services       | Appoint new service provider for the landfill site and extend refuse collection to rural areas  | Appointment of new service provider for Umdoni landfill site and ensure compliance                               |                      | Appointment of new contractor. % compliance with audit  | 80% compliance by 1 Apr 2010  | 100%   | Achieved               | N/A            | N/A         | N/A                    | N/A                             | N/A  |
| 3.07/1/3          | Spatial, rational and environment | To ensure effective waste management  | Landfill audit   | 300 landfill audited | Date of completion of audit   | N/A   | N/A  | N/A                    | 30 Mar 2011    | 30 Mar 2011 | Achieved               | N/A                             | N/A  |
|                   |                                   | To ensure that verges, public open spaces, parks, sports fields are cut bimonthly in summer and spring and monthly in winter and autumn | Preston Public Park established at the current roads depot site in Park Rynie (relocate roads depot by Jul 2010) |                      | Depot relocated and earthworks completed  | Relocate roads depot and complete earthworks for the park by Jul 2010 | Soil has been imported for earthworks                                    | Partially achieved     | N/A            | N/A         | N/A                    | N/A                             | N/A  |
|                   |                                   |   | Indigenous tree planting   |                      | 200 trees planted   | Plant 200 trees by Jun 2010   | 700 trees planted  | Achieved               | N/A            | N/A         | N/A                    | N/A                             | N/A  |
|                   |                                   |   | Establish children's playground at park (Jungle gyms)  |                      | One playground established  | One playground established by Jul 2010                                | Old Lotus Park library demolished. Paving complete. Jungle gym to follow | Partially achieved     | N/A            | N/A         | N/A                    | N/A                             | N/A  |
|                   |                                   |   | Bush clearing, cutting and maintenance of vacant Municipal owned properties                                      |                      | Square meters completed   | 100 000 m <sup>2</sup> by July 2010                                   | 125 000 m <sup>2</sup>   | Achieved               | N/A            | N/A         | N/A                    | N/A                             | N/A  |

| IDP indicator no. | National KPA                      | Strategic objective   | Programme  | KPI output        | Indicator                            | 2009/10 target                  |  |                        | 2010/11 target            |        |                        | Action plan/ corrective measure | 2011/12 target |
|-------------------|-----------------------------------|---|--|-------------------|--------------------------------------|---------------------------------|--|------------------------|---------------------------|--------|------------------------|---------------------------------|----------------|
|                   |                                   |   |  |                   |                                      | Projected                       | Actual   | Achieved/ not achieved | Projected                 | Actual | Achieved/ not achieved |                                 | Projected      |
| 3.07/1/3          | Spatial, rational and environment | To achieve improved compliance for all structures in Umdoni by undertaking more regular inspections. Approve plans within 21 day after referrals are attended to. Establish new offices   | Establishment of new Technical Services office block   |                   | % office block established           | 100% established by July 2010   | Construction commenced. Contractor has completed roof on storage facility. Office block – first floor slab cast and brickwork has commenced on first floor | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Training and appointment of building inspectors to become peace officers   |                   | No. of building inspectors trained   | Two building inspectors trained | Not done in this quarter   | Not achieved           | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   | To achieve improved compliance for all structures in Umdoni by undertaking more regular inspections. Approve plans within 21 day after referrals are attended to. Establish new offices   | Improve communication regarding building control inspections by updating the web with results from PD&I meetings |                   | No. of reports                       | 12                              | 12   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Workshops to educate roleplayers in the building sector  |                   | No. of workshops held                | Two                             | 50%. Town planning and building control leaflet completed  | Partially achieved     | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   | Infrastructure and services       | To accelerate the processing of all town planning applications and to regularise and rectify town planning contraventions. To improve stakeholders knowledge of town planning regulations | Revision of scheme maps  |                   | No. of revised scheme maps           | Five                            | 100% completed   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Street numbering   |                   | No. of suburbs                       | One                             | 100% completed   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Street naming  |                   | No. of streets                       | Five                            | 100%   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Improve communication regarding town planning applications by updating the web with results from PD&I meetings   |                   | No. of reports                       | 12                              | 100%   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Formulation and adoption of new policies   |                   | One new policy by Jul 2010           | % completion                    | 100%   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Town planning educational workshops  |                   | No. of workshops                     | Two                             | 50% completed  | Partially achieved     | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Routine inspections  |                   | No. of routine inspections conducted | 1 000                           | 1 000  | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Develop town planning inspection plans for each ward   |                   | No. of plans                         | 12                              | 100% completed   | Achieved               | N/A                       | N/A    | N/A                    | N/A                             | N/A            |
|                   |                                   |   |  |                   |                                      |                                 |  |                        |                           |        |                        |                                 |                |
| 3.07/1/1          | Spatial rationale and environment | To ensure sustainable development & equitable use of natural resources whilst protecting and conserving the ecological integrity  | Greening initiative  | 500 trees planted | No. of trees planted                 | N/A                             | N/A  | N/A                    | Plant 500 trees in Umdoni | 500    | Achieved               | N/A                             | N/A            |

| IDP indicator no. | National KPA                      | Strategic objective   | Programme   | KPI output  | Indicator                                  | 2009/10 target               |  |                        | 2010/11 target |   |                        | Action plan/ corrective measure | 2011/12 target |
|-------------------|-----------------------------------|---|---|---|--|------------------------------|--|------------------------|----------------|---|------------------------|---------------------------------|----------------|
|                   |                                   |   |   |   |  | Projected                    | Actual   | Achieved/ not achieved | Projected      | Actual                                  | Achieved/ not achieved |                                 | Projected      |
|                   |                                   | To achieve an improved state of environment for the people of Umdoni. To protect and enhance the state of the environment for present and future generations through continued implementation and enforcement of environmental legislation and policies | Environmental education programme for schools   |   | No. of workshops held                      | 12 workshops held            | 12 schools and four workshops  | Achieved               | N/A            | N/A                                     | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Re-establish environmental forum  |   | No. of meetings                            | Four                         | Three (one meeting cancelled due to municipal strike)  | Partially achieved     | N/A            | N/A                                     | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Improve communication regarding environmental department activities by updating the web with reports from PD&I meetings |   | No. of reports                             | 12                           | 12   | Achieved               | N/A            | N/A                                     | N/A                    | N/A                             | N/A            |
|                   |                                   |   | Clearing of privately owned overgrown properties  |   | % compliance with notices issued to owners | 100% compliance by July 2010 | 100%. (All notices sent to owners result in the property being cleared either by the owner or by the Municipality) | Achieved               | N/A            | N/A                                     | N/A                    | N/A                             | N/A            |
|                   |                                   |   |   |   |  |                              |  |                        |                |   |                        |                                 |                |
|                   | Spatial rationale and environment | To ensure sustainable development and equitable use of natural resources whilst protecting and conserving the ecological integrity  | Environmental education   | Five schools workshopped in environmental education matters | No. of schools workshopped                 | N/A                          | N/A  | N/A                    | Five           | Eight                                   | Achieved               | N/A                             |                |
| 3.07/1            | Spatial rationale and environment | To protect and continually improve the environment and ensure the preservation of our environmental assets  | Environmental workshops conducted   |   | No. of workshops                           | N/A                          | N/A  | N/A                    | N/A            | N/A                                     | N/A                    | N/A                             | Eight          |
|                   |                                   |   | Cleanup campaigns conducted   |   | No. of campaigns                           | N/A                          | N/A  | N/A                    | N/A            | N/A                                     | N/A                    | N/A                             | Three          |
|                   |                                   |   | Educational material distributed  |   | Number of environmental education packs    | N/A                          | N/A  | N/A                    | N/A            | N/A                                     | N/A                    | N/A                             | 20             |
| 3.07/1/1          | Spatial rationale and environment | To ensure sustainable development and equitable use of natural resources whilst protecting and conserving the ecological integrity  | Strategic environmental assessment  | Completed SEA report  | Date of completion                         | N/A                          | N/A  | N/A                    | 30 Jun 2011    | 30 June 2011 – first draft SEA complete | In progress            | N/A                             |                |
|                   |                                   | To achieve an improved state of environment for the people of Umdoni. To protect and enhance the state of the environment for present and future generations through continued implementation and enforcement of environmental legislation and policies | Alien vegetation eradication  |   | Extent of area cleared of alien vegetation | 100 000 square metres        | 120 000 square metres  | Achieved               | N/A            | N/A                                     | N/A                    | N/A                             | N/A            |

| IDP indicator no. | National KPA                              | Strategic objective  | Programme   | KPI output                                | Indicator   | 2009/10 target |   |                        | 2010/11 target |   |                        | Action plan/ corrective measure | 2011/12 target |
|-------------------|---|--|---|---|---|----------------|---|------------------------|----------------|---|------------------------|---------------------------------|----------------|
|                   |   |  |   |   |   | Projected      | Actual  | Achieved/ not achieved | Projected      | Actual  | Achieved/ not achieved |                                 | Projected      |
| 3.07/1/1          | Spatial rationale and environment         | To ensure sustainable development and equitable use of natural resources whilst protecting and conserving the ecological integrity | Alien invasive control  | 23 ha of alien vegetation eradicated      | Hectare   | N/A            | N/A   | N/A                    | 23             | 29  | Achieved               | N/A                             | N/A            |
| 3.07/1            | Spatial rationale and environment         | To protect and continually improve the environment and ensure the preservation of our environmental assets                         | Alien vegetation eradicated                                   |   | No. of hectares   | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | 10ha           |
|                   |   |  | Trees planted   |   | No. of trees  | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | 300            |
|                   |   |  | Areas of high conservation value protected                    |   | No. of hectares   | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | 4ha            |
|                   |   |  | Implemented integrated environmental management plan          |   | Km² covered by the plan                                     | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | 285            |
| 3.07/1/1          | Spatial rationale and environment         | To ensure sustainable development & equitable use of natural resources whilst protecting and conserving the ecological integrity   | Wheelie bins distribution                                     | 300 businesses provided with wheelie bins | No. of business supplied with wheelie bins                  | N/A            | N/A   | N/A                    | 300            | 1950  | Achieved               | N/A                             | N/A            |
| 3.07/1            | Spatial rationale and environment         | To protect and continually improve the environment and ensure the preservation of our environmental assets                         | Rivers/ Streams free of solid waste                           |   | No. of km   | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | Four kms       |
| 3.07/2            | Basic service delivery and infrastructure | To ensure that all people have access to safe waste disposal   | Illegal dumpsite cleared                                      |   | No. of sites cleared  | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | Five           |
|                   |   |  | Refuse receptacles provided                                   |   | No. of refuse receptacles                                   | N/A            | N/A   | N/A                    | N/A            | N/A   | N/A                    | N/A                             | 650            |
|                   | Spatial rationale and environment         | Appoint new service provider for the landfill site and extend refuse collection to rural areas                                     | Rural refuse collection services extended to some rural areas |   | No. of skips placed in rural areas as identified by Council |                | Six (Skips placed in Amandawe, Amahlongwa and Malangeneni. Bins placed at all rural bus stops. Weekly door-to-door refuse collection at Ifafa Glebe/ Malangeneni) | Achieved               | N/A            | N/A   | N/A                    | N/A                             | N/A            |
|                   |   |  |   |   |   |                |   |                        |                |   |                        |                                 |                |
| 3.07/1/1          | Spatial rationale and environment         | To ensure sustainable development and equitable use of natural resources whilst protecting and conserving the ecological integrity | Skips in rural areas  | Nine rural skips cleared weekly           | No. of skips placed in rural areas                          | N/A            | N/A   | N/A                    | Nine           | Nine skips received in May 2011. Item to next PD&I to discuss placement | Achieved               | N/A                             | N/A            |
|                   | Spatial rationale and environment         | Appoint new service provider for the landfill site and extend refuse collection to rural areas                                     | Recycling igloos  |   | No. of skips placed in rural areas as identified by Council |                |   |                        | N/A            |   |                        |                                 | N/A            |



| IDP indicator no. | National KPA  | Strategic objective   | Programme   | KPI output  | Indicator   | 2009/10 target             |  |                        | 2010/11 target |  |                        | Action plan/ corrective measure  | 2011/12 target |
|-------------------|---|---|---|---|---|----------------------------|--|------------------------|----------------|--|------------------------|--|----------------|
|                   |   |   |   |   |   | Projected                  | Actual   | Achieved/ not achieved | Projected      | Actual   | Achieved/ not achieved |  | Projected      |
| 3.07/1/1          | Spatial rationale and environment                     | Appoint new service provider for the landfill site and extend refuse collection to rural areas  | Refuse compactor  | New compactor procured  | Date of delivery of refuse compactor                        | N/A                        | N/A  | N/A                    | 15 Mar 2011    | Internal tenders cancelled, embarked on Section 32 process which failed as no stock of units in SA. To be procured in new financial year | In progress            | N/A  | N/A            |
|                   |   |   | Clearing illegal dumping sites                                  |   | No. of sites cleared  | Four sites cleared         | Seven illegal dumping sites cleared in Ifafa, Amandawe and Umzinto, Mtwalume, Park Rynie, Freeland Park, Pennington) | Achieved               | N/A            | N/A  | N/A                    | N/A  | N/A            |
|                   |   |   | Establish street cleaning co-ops together with LED              |   | No. of co-ops   | Two                        | 0  | Partially achieved     | N/A            | N/A  | N/A                    | N/A  | N/A            |
| 3.07/1/1          | Spatial rationale and environment                     | To ensure sustainable development and equitable use of natural resources whilst protecting the ecological integrity   | Waste guidelines for building applications                      | 300 businesses provided 20 application approved subject to waste guidelines | No. of approved building applications with waste guidelines | N/A                        | N/A  | N/A                    | 20             | 27   | Achieved               | N/A  | N/A            |
|                   |   | Appoint new service provider for the landfill site and extend refuse collection to rural areas  | Conduct an investigation into the conversion of waste to energy |   | % completion of investigation                               | 30% completion by Jul 2010 | 50%. (Council approved in principle the project by MEGNA-CORP)   | Achieved               | N/A            | N/A  | N/A                    | N/A  | N/A            |
| 3.07/2/1          | Basic service delivery and infrastructure development | To ensure that all households in Umdoni have access to all basic household services in line with national standards so as to enhance community satisfaction | Rural electrification   | 630 households electrified  | No. of households electrified                               | N/A                        | N/A  | N/A                    | 630            | 0  | In progress            | Project will commence in Olwasini with 250 houses. The consultant Khanyisani has been appointed with Mr Ngcobo as the project leader. Eskom and DME require from Council the exact no. of houses that need to be electrified. Without that a network planning report cannot be produced by Eskom | N/A            |
| 3.07/2            | Basic service delivery and infrastructure             | To ensure that all communities have access to energy sources  | Rural households electrified                                    |   | No. of rural households electrified                         | N/A                        | N/A  | N/A                    | N/A            | N/A  | N/A                    | N/A  | 350            |
|                   |   |   | Maintenance of storm water drains                               |   | Metres  | 2 000 m                    |  |                        |                | N/A  | N/A                    | N/A  | N/A            |

| IDP indicator no. | National KPA  | Strategic objective  | Programme  | KPI output     | Indicator   | 2009/10 target       |                           |                        | 2010/11 target |        |                        | Action plan/ corrective measure | 2011/12 target |
|-------------------|---|--|--|----------------|---|----------------------|---------------------------|------------------------|----------------|--------|------------------------|---------------------------------|----------------|
|                   |   |  |  |                |   | Projected            | Actual                    | Achieved/ not achieved | Projected      | Actual | Achieved/ not achieved |                                 | Projected      |
| 3.07/2/5          | Basic service delivery and infrastructure development | To improve the existing storm water network  | Installation of storm water facilities                                       |                | Metres of drains laid   | N/A                  | N/A                       | N/A                    | 200            | 65     | Partially achieved     | N/A                             | N/A            |
|                   | Infrastructure and services                           | To undertake a road audit, develop and implement a road management system                            | Cut rural gravel roads   | Kms            |   | 40 kms               | 100%                      | Over achieved          | N/A            | N/A    | N/A                    | N/A                             | N/A            |
|                   |   |  | New access roads from track to gravel  |                |   | 20 kms               | 100%                      | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A            |
|                   |   |  | Resealing of urban roads   |                |   | Two kms              | Dealt with under disaster | N/A                    | N/A            | N/A    | N/A                    | N/A                             | N/A            |
|                   |   |  | Maintain urban gravel roads  |                |   | One km               | 100%                      | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A            |
|                   |   |  | Repair Potholes  | m <sup>2</sup> |   | 2 500 m <sup>2</sup> | 100%                      | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A            |
| 3.07/2/6          | Basic service delivery and infrastructure development | To improve accessibility in rural areas and improve road linkages between urban and rural components | Existing gravel rural roads Maintained                                       |                | Kilometres of roads maintained  | N/A                  | N/A                       | N/A                    | 50             | 80,5   | Achieved               | N/A                             | N/A            |
|                   |   |  | Existing tarred roads maintained   |                | Kilometres of roads maintained  | N/A                  | N/A                       | N/A                    | Three          | Four   | Achieved               | N/A                             | N/A            |
|                   |   |  | Construction of new gravel rural roads                                       |                | Kilometres of roads constructed   | N/A                  | N/A                       | N/A                    | Three          | Three  | Achieved               | N/A                             | N/A            |
|                   | Infrastructure and services                           | To undertake a road audit, develop and implement a road management system                            | Repairs to stone kerbing and channels  |                | Metres  | 1 000 m              | 100%                      | Achieved               | N/A            | N/A    | N/A                    | N/A                             | N/A            |
|                   |   |  | Pavement repairs   |                | Metres  | 300 m                | 100%                      | Over achieved          | N/A            | N/A    | N/A                    | N/A                             | N/A            |
|                   |   |  | Construction of ramps for the disabled                                       |                | No. of ramps  | Eight                | 100%                      | Over achieved          | N/A            | N/A    | N/A                    | N/A                             | N/A            |
| 3.07/2            | Basic service delivery and infrastructure             | Improve, expand and maintain existing infrastructure   | Bridges constructed  |                | No. of bridges constructed  | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 250 m          |
|                   |   |  | New gravel roads constructed   |                | Km of new gravel road   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 4,2            |
|                   |   |  | Existing gravel roads rehabilitated  |                | Km of gravel roads rehabilitated  | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 50             |
|                   |   |  | Existing asphalt roads rehabilitated   |                |   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | Six            |
|                   |   |  | New stormwater drainage constructed  |                | Metres of stormwater drainage constructed   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 600            |
|                   |   |  | Existing stormwater drainage rehabilitated                                   |                |   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 200            |
|                   |   |  |  |                |   |                      |                           |                        |                |        |                        |                                 |                |
|                   |   |  |  |                |   |                      |                           |                        |                |        |                        |                                 |                |
| 3.07/2            | Basic service delivery and infrastructure 3.07/2      | To ensure that all people have access to safe waste disposal   | Recyclables collected from households  |                | No. of households   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 600            |
|                   |   |  |  |                | No. of cubic metres of waste recycled   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 2 000          |
|                   |   |  | Rural refuse collection programme  |                | % of rural households covered   | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 50%            |
| 3.07/2            | Basic service delivery and infrastructure             | To ensure effective facilitation of water and sanitation services to all our communities             | Facilitation of water and sanitation services with the District Municipality |                | The % of households with access to basic level of water. The % of households with access to basic level of sanitation | N/A                  | N/A                       | N/A                    | N/A            | N/A    | N/A                    | N/A                             | 97%            |

# Council's Oversight Report

**DATE: 29 February 2012**  
**NON-DELEGATED ITEM**  
**FOR CONSIDERATION OUT OF COMMITTEE**

**DEPARTMENT: Corporate Services**  
**AUTHOR OF REPORT: GM Corp**

## Purpose

For Council to adopt the Oversight Report in respect of the 2010/2011 Annual Report.

## Attachments

- Minutes of the Oversight Committee meeting held on 6 October 2011
- Minutes of the Oversight Committee meeting held on 10 February 2012
- Annual Report Checklist
- 2010/2011 Annual Report (Distributed to Chief Whips).

## Background

MFMA Circular No. 21, issued by National Treasury on 15 March 2006, provides guidelines on the preparation of the Oversight Report in respect of a Municipality's Annual Report. The guidelines were followed and Council appointed an Oversight Committee which comprised the following members:

### Non-executive members

Cllr MN Maphumulo (Chairman)  
Cllr GN Mbambo  
Cllr DP Gambushe  
Cllr EV Baptie (Ex-Officio Member)  
Cllr P Naidoo (Ex-Officio Member)

### Public members

Rev ZA Luthuli  
Mrs SP Nyawo

### Audit Committee

Mr SC Nzuza

The above committee met on two occasions to consider the annual report and the minutes of the meetings are attached.

The Community and Councillors were invited to submit presentations on the report and copies of the draft document were placed at all Council libraries and Municipal offices. No comments were received.

The draft Annual Report was forwarded to the Office of the Auditor-General (SA) and CoGTA on 15 October 2011. In accordance with section 129 of the MFMA, the Annual Report was also tabled before Council at the December 2011 Council meeting together with the Annual Financial Statements.

At the meeting held on 10 February 2012, the Oversight Committee unanimously agreed to recommend to Council the adoption of the Annual Report.

## Recommendation

That Council resolve as follows:

1. That the Council, having fully considered the 2010/2011 Annual Report of the Municipality and representations thereon, adopts the oversight report, and
2. That Council approves the 2010/2011 Annual Report.
3. That the amended Audit Report for the year ended 30 June 2011, from the Office of the Auditor General (S.A.), be hereby received and noted.
4. That the Plan of Corrective Measures aligned to the Audit Report in resolution (3) above be hereby adopted.



**COUNCILLOR MN MAPHUMULO, CHAIRPERSON**

## Annual reporting checklist: Municipalities

|    | Annual Report components  | MFMA                   | Yes | No | N/A | Comments               |
|----|---|------------------------|-----|----|-----|------------------------|
| 1  | Is there a set of the audited Annual Financial Statements?  | S121(3)(a)             | ✓   |    |     | Pg 43                  |
| 2  | Does the Annual Report contain the audit report on the AFS?   | S121(3)(b)             | ✓   |    |     | Pg 44                  |
| 3  | Does the Annual Report contain annual performance report in terms of S.46 of the MSA?   | S121(3)(b)             | ✓   |    |     | Pg 178                 |
| 4  | Does the Annual Report contain the Auditor-General's report on the Municipality's performance report?   | S12(3)(d)              | ✓   |    |     | Pg 45                  |
| 5  | Does the Annual Report contain an assessment of the performance against measurable performance objectives for revenue collection by the accounting officer? | S12(3)(f)              | ✓   |    |     | Pg 196                 |
| 6  | Does the performance report include the current year's performance and targets as well as the prior years?  | MSA s 46(1) (a)        | ✓   |    |     | Pg 178                 |
| 7  | Does the performance report include measures that were taken or are to be taken to improve performance?   | MSA s 46(1) (a)        | ✓   |    |     | Pg 178                 |
| 8  | Does the performance report contain the development and service delivery priorities and performance targets set for the next financial year?                | MSA s 46(1) (a)        | ✓   |    |     | Pg 178                 |
| 9  | Is there an assessment by the accounting officer on any arrears on Municipal taxes and service charges?   | S121(3)(e)             | ✓   |    |     | To be included<br>Pg 5 |
| 10 | Does the Annual Report contain a response to the audit report on the AFS?   | S121(3)(g)             | ✓   |    |     | Pg 46                  |
| 11 | Does the Annual Report contain the recommendations of the Audit Committee?  | S12(3)(j)              | ✓   |    |     | Pg 46                  |
| 12 | Does the Municipality have sole or effective control of a Municipal entity?   |                        |     | x  |     |                        |
| 13 | If yes to above, is there a set of consolidated Annual Financial Statements?  | s121(3)(a)<br>s122 (2) |     |    | x   |                        |

## MFMA disclosure checklist: Municipalities

|    | Disclosure requirements   | MFMA                         | Yes | No | N/A | Comments |
|----|---|------------------------------|-----|----|-----|----------|
|    | <b>Has the following been disclosed?</b>  |                              |     |    |     |          |
| a) | Government Grants (AFS)   | s 123 (1)                    | ✓   |    |     | Pg 98    |
| 1  | Allocations received from an organ of state in the National or Provincial sphere of government?   | s 123 (1) (a)(i)             | ✓   |    |     | Pg 98    |
| 2  | Allocations received from a Municipal entity or another municipality.   | s 123 (1) (a)(ii)            | ✓   |    |     | Pg 98    |
| 3  | Allocations made to a Municipal entity or another municipality.   | s 123 (1) (b)(i)             | ✓   |    |     | Pg 49    |
| 4  | Allocations made to any other organ of state.   | s 123 (1) (b)(ii)            |     |    | x   |          |
| 5  | Details of how the allocations that were received were spent, per vote excluding equitable share.   | s 123 (1) (c)                | ✓   |    |     | Pg 98    |
| 6  | The Municipality has complied with allocations made to it by National Government.   | s 123 (1) (d)(i)             | ✓   |    |     | Pg 98    |
| 7  | The Municipality has complied with allocations made to it other than by national organs of state.   | s 123 (1) (d)(ii)            | ✓   |    |     | Pg 98    |
| 8  | Reasons for non-compliance with conditions referred to in 6 and 7 above.  | s 123 (1)(e)                 |     |    | x   |          |
| 9  | Delays or withholding of funds in terms of DoRA.  | s 123 (1)(f)                 |     |    | x   |          |
| 10 | Reasons for delay or withholding of funds indicated in 9 above.   | s 123 (1)(f)                 |     |    | x   |          |
| b) | Disclosures concerning Councillors, directors and officials (notes).  | s 124                        |     |    |     |          |
| 1  | Salaries, allowances and benefits of political office-bearers and Councillors of the Municipality (financial and in-kind).  | s 124 (1) (a)                | ✓   |    |     | Pg 77    |
| 2  | Statement by the accounting officer that the salaries, allowances and benefits above are in accordance with the framework in s.219 of the Constitution.   | s 124 (1)(a)                 | ✓   |    |     | Pg 43    |
| 3  | Arrears owed by individual Councillors to the Municipality or its Municipal entity for rates and services which were at any time during the year outstanding for more than 90 days. This should include the names of the Councillors. | s 124 (1)(b)<br>s 124 (1)(b) |     |    |     | Pg 79    |
| 4  | Salaries, allowances and benefits of the Municipal Manager, CFO and every senior manager.   | s 124 (1)(c)                 | ✓   |    |     | Pg 76    |
| c) | Other compulsory disclosures (notes).   |                              |     |    |     |          |
| 1  | List of all Municipal entities under the shared or sole control of the Municipality.  | s 125 (1) (a)                |     |    | x   |          |
| 2  | Total amount of contributions to organised local government for the year and any outstanding amounts at year end.   | s 125 (1) (b)                | ✓   |    |     | Pg 177   |
| 3  | Total amounts paid for the following and whether any amounts were outstanding at year end:  | s 125 (1) (c)                |     |    |     |          |
|    | Audit fees  | s 125 (1) (c)                | ✓   |    |     | Pg 78    |
|    | Taxes   | s 125 (1) (c)                | ✓   |    |     | Pg 78    |
|    | Levies  | s 125 (1) (c)                |     | x  |     |          |
|    | Duties  | s 125 (1) (c)                |     | x  |     |          |
|    | Pension   | s 125 (1) (c)                | ✓   |    |     | Pg 76    |
|    | Medical Aid   | s 125 (1) (c)                | ✓   |    |     | Pg 76    |



|    | Disclosure requirements   | MFMA              | Yes | No | N/A | Comments |
|----|---|-------------------|-----|----|-----|----------|
| 4  | In respect of each bank account during the relevant financial year:   | s 125 (2) (a)     | ✓   |    |     | Pg 72    |
|    | Name of bank where account is held  | s 125 (2) (a)     | ✓   |    |     | Pg 72    |
|    | Account type  | s 125 (2) (a)     | ✓   |    |     | Pg 72    |
|    | Opening balances  | s 125 (2) (a)     | ✓   |    |     | Pg 72    |
|    | Year-end balances   | s 125 (2) (a)     | ✓   |    |     | Pg 72    |
| 5  | Summary of all investments at year-end.   | s 125 (2) (b)     | ✓   |    |     | Pg 69    |
| 6  | Particulars of contingent liabilities at year-end.  | s 125 (2) (c)     | ✓   |    |     | Pg 79    |
| 7  | Material losses and material, irregular or fruitless and wasteful expenditure and unauthorised expenditure and whether they are recoverable.                        | s 125 (2) (d)(i)  | ✓   |    |     | Pg 80    |
| 8  | Any criminal or disciplinary steps taken as a result of material losses and material, irregular or fruitless and wasteful expenditure and unauthorised expenditure. | s 125 (2) (d)(ii) |     |    | x   |          |
| 9  | Material losses recovered or written off.   | s 125 (2)(d)      |     |    | x   |          |
| 1- | Particulars of non-compliance with the MFMA.  | s 125 (2) (e)     |     |    | x   |          |

## Oversight Committee

MFMA Circular No. 32 issued by National Treasury provides guidelines on the preparation of the oversight report in respect of a municipality's annual report and those of its entities. The processes recommended in the said circular, include the establishment of an Oversight Committee under Sections 33 and 79 of the Municipal Structures Act, 1998. The Oversight Committee should conduct a detailed analysis and review of the annual report and draft an oversight report to be considered by Council. The Committee should also receive and review representations made by the public and also seek input from other Councillors and Council portfolio committees. Upon finalisation, this oversight report is then taken to full Council for adoption.

The Oversight Committee should comprise of only non-executive Councillors and community representatives. Municipal officials cannot be members of the oversight committee as this would pose a conflict of interest. Assistance from the Municipality's audit committee is also recommended as a major source of independent specialist advice.

Umdoni Council appointed the following Councillors as members of the Oversight Committee for 2010/2011 Annual Report:

- Cllr MN Maphumulo (Chairman) (and SCOPA Member)
- Cllr DP Gambushe
- Cllr GN Mbambo (Chairperson of SCOPA).

The Council also appointed the following individuals as public representatives:

- Reverend Luthuli (senior citizens)
- Mrs SP Nyawo (Government representative).

In view of the Oversight Committee being comprised of all new Councillors, the Council elected Councillor EV Baptie and Councillor P Naidoo as ex-officio members of the Oversight Committee as they were Councillors for the year under review and had served on previous oversight committees.

Minutes from the Oversight Committee meetings follow over the page.



## Minutes of an Oversight Committee meeting held at the Umdoni Municipality, Scottburgh offices, Council chambers on Thursday 6 October 2011 at 09h30

### Present

|                   |   |
|-------------------|---|
| Cllr MN Maphumulo | Committee member (Chairman) and member of SCOPA           |
| Cllr GN Mbambo    | Committee member (and Chairperson of SCOPA)               |
| Cllr DP Gambushe  | Committee member  |
| Cllr EV Baptie    | Ex-officio  |
| Rev ZA Luthuli    | Public representative                                     |
| Mrs SP Nyawo      | Government representative                                 |
| Mr SC Nzuza       | Audit Committee member                                    |
| Mr R Bowyer       | CoGTA   |
| Mrs NM Ngubane    | Acting GM Corporate Services                              |
| Mr A Nunkumar     | GM Financial Services                                     |
| Mr X Luthuli      | GM Community Services                                     |
| Mrs C Douglas     | Senior Committee Officer                                  |
| Ms T Qwemesha     | Internal Audit Clerk (representing Manager I.A.)          |
| Mr K Subben       | Acting Environmental Manager                              |
| Mr T Matlapeng    | Representing Senior Manager Strategic P&D                 |
| Mr M Sathanand    | Senior Superintendent: Representing GM Technical Services |
| Ms M Pillay       | Town Planning Assistant                                   |
| Ms S Dlamini      | PA, Secretariat   |

### Apologies

|                 |                              |
|-----------------|------------------------------|
| Mr DD Naidoo    | Municipal Manager            |
| Mrs L Harisingh | Manager Internal Audit       |
| Mr S Chetty     | GM Technical Services        |
| Ms B Jaca       | Senior Manager Strategic P&D |

### Notice of meeting

The Chairman welcomed all to the meeting and the Acting GM Corporate Services read the notice convening the meeting.

### Attendance

As recorded above.

### Background information

Acting GM Corporate Services advised that the Oversight Committee was established in accordance with Section 33 and 79 of the Municipal Structures Act, 1988 and that the Annual Report has been prepared in accordance with the provisions of Section 121 of the MFMA, 56 of 2003 and Section 46 of the L.G. Municipal Systems Act (MSA) 32 of 2000.

Mrs Ngubane then handed over to Mrs Douglas to present the first draft of the Annual Report.

Mrs Douglas advised the Committee that:

- The first draft of the Annual Report as being presented excluded the Annual Financial Statements which are deemed 'confidential' until tabled by the Mayor at the Council meeting together with the Annual Report.
- The performance reports were tabled at the meeting, these shall be incorporated into the Annual Report by the printers.
- The process of appointing service providers to print the Annual Report is currently underway, once the

- appointment is finalised, the photographs, front page, editing and all other processes in ensuring a professional final document is produced, shall commence.
- In response to a query regarding the format of the Annual Report, Mr Bowyer advised that the information as required by Chapter 12 of the MFMA must be included and that the guidelines as per National Treasury's Circular No. 32 and Circular No. 11 should be adhered to. Mrs Douglas confirmed that both Chapter 12 of the MFMA and the guidelines were adhered to in compiling the Annual Report.
  - Mr Bowyer queried whether the intention of Umdoni Municipality was to have the Oversight Committee as well as SCOPA. In response, Mrs Douglas advised that the Oversight Committee comprises two members of SCOPA (i.e. Cllr Mbambo – Chair of SCOPA and Cllr Maphumulo).

Cllr Mbambo confirmed that the matter had been discussed at SCOPA where it had been agreed that since there are two members of SCOPA on the Oversight Committee, this process should be continued for the 2010/2011 Annual Report and that the matter could be reviewed if necessary at a later stage.

Mrs Douglas advised that the purpose of the first meeting was to present the Annual Report to the Committee in order for Committee to conduct a detailed analysis and review of the Annual Report and to make comments and suggestions prior to finalising the document. Mrs Douglas took Committee through each chapter of the report and comments/analysis and submissions are summarised hereunder:

| CHAPTER 1: INTRODUCTION AND OVERVIEW  |   |   |
|---|---|---|
| Item  | Action required   | To be actioned by/<br>timeframe                               |
| Report by Chairman of the Audit Committee   | CoGTA stressed that this must be included prior to submission to A.G. on 15 October 2011                | Manager – I.A.<br>Deadline: 12 October 2011                   |
| In the absence of any updated statistics, it was reported that the same 2007 statistical data would be used for the 2010/2011 Annual Report | Statistics to be <i>included prior to submission to the A.G. on 15 October 2011</i>                     | Mrs Douglas<br>Deadline: 12 October 2011                      |
| Traditional authorities   | Remove the paragraph relating to wards and include geographic description of where the TA's are located | Mrs Douglas<br>Deadline: 12 October 2011                      |
| Under overview (pertaining to voter registration and population)  | Amend format of report to reflect total population and most recent voter registration figures per ward  | Mrs Douglas<br>Deadline: 12 October 2011                      |
| <b>Attractions</b>  |   |   |
| Water   | Include major source of water: the Inanda Dam – through a pipeline                                      | Environmental Manager<br>Deadline: 12 October 2011<br>represe |
| Vernon Crookes Nature Reserve   |   |   |
| Crocworld   | The status of Crocworld has changed and requires to be mentioned  |   |
| Aliwal Shoal  | Falls within a marine protected area – include information  |   |
| Events  | Include information on mardi-gras, Sani2C, and other large events                                       |   |
|   | Include that the reserves are located in Vulamehlo<br>Also include information on ski-boat clubs        |   |
| CHAPTER 2: MAYORAL PROGRAMMES/HIGHLIGHTS  |   |   |
| No changes – include photographs  |   |   |
| CHAPTER 3: HUMAN RESOURCES/ORGANISATIONAL STRUCTURE   |   |   |
| Recruitment and selection   | Amending wording to read 'Appointments'   | Mrs Douglas   |
| Training  | Include submission on Employee Assistance Programme   | Mrs Douglas   |

## CHAPTER 4: AUDITED FINANCIAL STATEMENTS

(To be included as per legislation)

## CHAPTER 5: FUNCTIONAL AREA: SERVICE DELIVERY

| Item  | Action required   | To be actioned by/<br>timeframe |
|---|---|---------------------------------|
| <b>Office of the Municipal Manager</b>  | Include organogram as per other departments   | Mrs Douglas                     |
| Internal Audit Section: Plan of Corrective Measures                                     | The report refers to 2009-2010 Plan of Corrective Measures and GMTS advised that the table would be updated to 2010/2011. Noted that this must be corrected prior to tabling the Annual Report at Council in December   | Manager I.A./GMFS               |
| <b>Technical Services</b><br>MIG projects/funding                                       | Amend the report to reflect the specific projects and project value – remove tables to make report more 'reader friendly'   |                                 |
| Four-page schedule reflecting each project and illustrating employment of local labour: | Remove table, reflect total figures only  |                                 |
| Active projects progress (disaster)   | Change format of report to a summary  |                                 |
| Building Control  | Change trend chart to bar graph   | Printers                        |
| <b>Community Services</b><br>Beach Section  | Name the 12 bathing beaches that are being referred to  |                                 |
| Special Programmes  | Peruse report with GM Community Services in terms of Mayoral programmes – and place reports under correct sections (i.e. either special programmes or Mayoral programmes).  |                                 |
| <b>Corporate Services</b><br>Fleet and IT Sections                                      | Reports to be included  | Action: GM Corporate            |
| <b>Financial Services</b><br>Revenue  | Mr Bowyer of CoGTA stressed the importance of ensuring that a well-documented paragraph on revenue must be included in the Annual Report (strategies for improving revenue collection etc.) (Refer to Circular 32 and MFMA) to ensure report is in compliance | Action: GMFS                    |

## PERFORMANCE REPORTING

The performance reports were tabled at the oversight meeting. This document will be incorporated into the Annual Report by the printers

|                     |  |  |
|---------------------|--|--|
| Performance reports | Mr Bowyer confirmed that it is only the 'previous financial year' and year of reporting that is required to be reported on.  | Ms Jaca to remove column 2008/2009   |
|                     | Mr Bowyer also advised that in terms of Section 46 of the Systems Act it requires that "measures taken to improve performance" should be reflected. Mrs Douglas advised that the format of the performance report is as required by CoGTA and as such does not allow for a column as indicated above | Action: Mrs Jaca in discussion with CoGTA to ensure that the performance report is submitted in the correct format |
|                     | Mr Bowyer undertook to obtain clarification in this regard and revert to the Municipality  |  |

## GENERAL AMENDMENTS

- Standardise format of all organograms in the report
- General grammatical amendments throughout.
- Noted that minutes of the oversight meetings, oversight report recommending adoption as well as the Annual Report checklist, will be included in the Annual Report.



## The way forward

All comments and suggestions as listed above would be included in the report. Members of the Oversight Committee are welcome to contact Mrs Douglas with additional comments relating to the Annual Report.

The following way forward was discussed:

- The Draft Annual Report will be tabled at the December 2011 Council meeting.
- Invitations for public comments will be called for during the month of December 2011, the Annual Report will be placed in all Council libraries, reception areas and copies given to ward councillors to discuss at their ward committees.
- Any comments received from the public/Councillors will be considered prior to the oversight report being adopted by Council. It was suggested that one further Oversight Committee meeting be convened where the checklist will be dealt with and if all satisfactory, the oversight report prepared.
- The Committee discussed possible ways in which to create an 'executive summary' of the entire Annual Report which could also be translated into Zulu as a way of disseminating information to the entire community. It was suggested that this matter be discussed at MANCO and should form part of the Umdoni's communication strategy.

## Date of next meeting

To be advised (late January).

## Closure

The Chairperson thanked all for their attendance and closed the meeting at 11h00.

CONFIRMED THIS 10th DAY of February 2012.



**COUNCILLOR MN MAPHUMULO**  
**CHAIRPERSON**

## **Minutes of an Oversight Committee meeting held at the Umdoni Municipality, Scottburgh offices, Council chambers on Friday 10 February 2012 at 09h30**

### **Present**

|                   |  |
|-------------------|--|
| Cllr MN Maphumulo | Committee Member (Chairman) and Member of MPAC |
| Cllr GN Mbambo    | Committee Member (Chairperson of MPAC)         |
| Cllr EV Baptie    | Ex-Officio Member                              |
| Cllr P Naidoo     | Ex-Officio Member                              |
| Mr SC Nzuza       | Audit Committee Member                         |
| Ms V Parumaul     | CoGTA  |
| Mrs N Momoti      | AG (SA)  |
| Mr DD Naidoo      | Municipal Manager                              |
| Mr A Nunkumar     | GM Financial Services                          |
| Mr X Luthuli      | GM Community Services                          |
| Mr S Dlodla       | GM Corporate Services                          |
| Mrs B Ngubane     | Snr Manager Development                        |
| Mrs L Harisingh   | Manager Internal Audit                         |
| Mrs C Douglas     | Snr Committee Officer                          |
| Mr K Subben       | Acting Environmental Manager                   |

### **Apologies**

|                  |                           |
|------------------|---------------------------|
| Cllr DP Gambushe | Committee Member          |
| Rev ZA Luthuli   | Public Representative     |
| Mrs SP Nyawo     | Government Representative |
| Mr S Chetty      | GM Technical Services     |

### **1. Notice of meeting**

The Chairman welcomed all to the meeting and Mrs Douglas read the notice convening the meeting.

### **2. Attendance**

As recorded above.

### **3. Confirmation of minutes of the Oversight Committee meeting held on 6 October 2011**

On the proposal of Councillor Baptie, seconded by Councillor Mbambo, the minutes of the meeting held on 6 October 2011 were confirmed after the following amendments:

Page 4 – Chapter 5 – GMTS to read GMFS.

Page 4 – Under Chapter 4 – correct spelling of 'legislation'.

### **4. Matters arising from minutes of the Oversight Committee minutes dated 6 October 2011**

The items depicted in the table over the page were matters which the Oversight Committee had requested be given further attention. Mrs Douglas took the Committee through the items. (See comments section of the table)

| CHAPTER 1: INTRODUCTION AND OVERVIEW  |  |   |
|---|--|---|
| Item  | Action required  | Comment   |
| Report by Chairman of Audit Committee   | CoGTA stressed that this must be included prior to submission to A.G. on 15/10/2011.   | This was included prior to submission to A.G.                             |
| In the absence of any updated statistics, it was reported that the same 2007 statistical data would be used for the 2010/2011 Annual Report   | Statistics to be <i>included prior to submission to the A.G. on 15 October 2011</i>  | This was included prior to submission to A.G.                             |
| <b>Traditional authorities</b>  | Remove the paragraph relating to 'wards' and include geographic description of where the TA's are located.   | Corrected. On pg 15.  |
| Under Overview (pertaining to voter registration and population:  | Amend format of report to reflect total population and most recent voter registration figures per ward.  | Amended as requested.   |
| <b>Attractions</b>  | Include major source of water is the Inanda Dam – through a pipeline.  | All items hereunder have been included in the Annual Report (Pg 15-19).   |
| Water   |  |   |
| Vernon Crookes Nature Reserve   | Include that the reserve is located in 'Vulamehlo'.  |   |
| Crocworld   | The status of Crocworld has changed and requires a mention.  |   |
| Aliwal Shoal  | Falls within a Marine Protected Area – include information.  |   |
| Events  | Include information on Mardi-gras; Sani to Sea; and other large events. Also include information on ski boat clubs.  |   |
| CHAPTER 3: HUMAN RESOURCES/ORGANISATIONAL STRUCTURE   |  |   |
| 'Recruitment and Selection'   | Amending wording to read 'Appointments'.   | Corrected – Pg 38   |
| Under Training  | Include submission on 'Employee Assistance Programme'.   | Included – Pg 40  |
| CHAPTER 5: FUNCTIONAL AREA: SERVICE DELIVERY  |  |   |
| <b>Office of the Municipal Manager</b>  | Include organogram as per other departments.   | Included.   |
| Internal Audit Section: Plan of Corrective Measures   | The report refers to 2009-2010 Plan of Corrective Measures and GMTS advised that the table would be updated to 2010/2011. Noted that this must be corrected PRIOR to tabling the A.R. at Council in December.  | MIA confirmed that the date as reflected is correct. No change necessary. |
| Technical Services MIG Projects/ Funding.<br><br>Four-page schedule reflecting each project and illustrating employment of local labour: Active projects progress (Disaster). Building Control. | Amend the report to reflect the specific projects and project value – remove tables to make report more 'reader friendly'.<br>Remove table, reflect total figures only.<br>Change format of report to a summary.<br>Change trend chart to 'bar graph'. | Entire report amended.  |
| <b>Community Services Department</b><br>Beach Section   | Name the 12 bathing beaches that are being referred to.  | Done – Pg 147   |
| Special Programme   | Peruse report with GM Community Services i.t.o. Mayoral Programmes – and place reports under correct sections (i.e. either special programmes or mayoral programmes).  | S. Programmes on Pg 159. Mayoral Programmes on Pg 29-35                   |
| <b>Corporate Services Department</b>  | Reports to be included   |   |
| Fleet & IT Sections   | Reports included (Pg 168)  |   |

| Item  | Action required  | Comment    |
|---|--|------------|
| Financial Services Revenue:   | Mr Bowyer of CoGTA stressed the importance of ensuring that a well-worded paragraph on revenue MUST be included in the Annual Report (strategies for improving revenue collection etc.) (Refer to Circular 32 and MFMA) to ensure report is in compliance.   | Completed. |
| <b>PERFORMANCE REPORTING</b>  |  |            |
| Performance reporting   | Mr Bowyer confirmed that it is only the 'previous Financial Year' and year of reporting that is required to be reported on. Mr Bowyer also advised that in terms of Section 46 of the Systems Act, it requires that 'measures taken to improve performance' should be reflected. Mrs Douglas advised that the format of the Performance Report is as required by CoGTA and as such does not allow for a column as indicated above. Mr Bowyer undertook to obtain clarification in this regard and revert to the Municipality. Mrs Ngubane confirmed that report had been amended wherever possible. (Discussions herein had taken place with CoGTA). |            |
| <b>GENERAL AMENDMENTS</b>   |  |            |
| <ul style="list-style-type: none"> <li>Standardise format of all organograms in the report;</li> <li>General grammatical amendments throughout;</li> <li>Noted that minutes of the Oversight meetings, Oversight report recommending adoption as well as the Annual Report checklist, will be included in the Annual Report.</li> </ul> |  |            |

## 5. Advertising of draft 2010/2011 annual report

Mrs Douglas confirmed that the Annual Report was advertised for public comment and was available in all public libraries and Municipal offices from 20 December 2011 to 13 January 2012. No comments were received from the public.

Following the first Oversight Committee meeting, the Annual Report was forwarded to CoGTA and AG(SA) for comment. The comments received from CoGTA were appended to the Agenda as Annexure 2. The comments from CoGTA were forwarded to all HODs to address the issues raised.

Committee requested that Annexure 2 be dealt with in further detail and the following was noted:

### Item 1: Mayoral foreword

CoGTA's comments had been taken into consideration and the Mayoral foreword was amended accordingly.

### Item 2: Recommendations of audit committee

It was confirmed that the query raised had been attended to and the relevant information is contained in the Annual Report.

### Item 3: Overview of Municipality

In view of the lack of updated statistics, Mrs Douglas advised that item (a) had been addressed and other issues were unable to be addressed at this stage.

### Item 4: Governance

All matters raised are reflected in the Annual Report.

### Item 5: Financial

GMFS confirmed that the majority of the items are contained in the Annual Financial Statements, however, an additional paragraph would be included to cover item 'H'.

### **Item 6: Performance Reporting**

Senior Manager, Development advised that issues raised, where possible, had been dealt with. In respect of the projections not being clearly defined, the Manager advised that the report for the year of reporting cannot be corrected, however, the performance reporting for the new financial year will be corrected so as to enable the information to be available.

### **6. Consideration of 2010/2011 Annual Report**

The 2010/2011 Annual Report was tabled at the meeting. The Committee was satisfied that all items previously raised, as well as the comments from CoGTA, had been adequately addressed and a thorough reportback given.

### **7. Completion and signing of Annual Report checklist**

GMFS took Committee through the Annual Report checklist, a copy of which shall be contained in the Annual Report.

### **8. Way forward: oversight report to Council**

Noted that the Annual Report was tabled at the December Council meeting held on 14 December 2011 for noting, whereafter it was advertised for public comment.

The first draft Annual Report was also presented to the Auditor-General and CoGTA in October 2011 and comments received have been dealt with.

On the proposal of Councillor Baptie, seconded by Councillor Mbambo, the Oversight Committee was satisfied that the Annual Report be recommended to Council for adoption.

Manager, Internal Audit requested that the Oversight Report to Council should indicate that some of the information in the performance reports cannot be amended or corrected due to the timing of the report, however, this aspect will be dealt with in the ensuing financial year.

### **UNANIMOUSLY RESOLVED**

That the Oversight Committee accept the 2010/2011 Annual Report and recommends adoption to Council.

### **9. Closure**

The Chairperson thanked all for their attendance and closed the meeting at 10h20 am.



**COUNCILLOR MN MAPHUMULO**  
**CHAIRPERSON**



## ACKNOWLEDGEMENTS



Produced for the  
Umdoni Municipality by  Artworks Communications  
Special thanks to the Office of the Auditor-General and  
the Audit Committee Chairperson for their  
assistance.

## ACRONYMS AND ABBREVIATIONS

|              |   |                  |   |
|--------------|---|------------------|---|
| <b>ABET</b>  | Adult Basic Education and Training                      | <b>ISRDP</b>     | Integrated Sustainable Rural Development Programme    |
| <b>ACDP</b>  | African Christian Democratic Party                      | <b>IT</b>        | Information Technology                                |
| <b>AIDS</b>  | Acquired Immune Deficiency Syndrome                     | <b>JOC</b>       | Joint Operations Centre                               |
| <b>ANC</b>   | African National Congress                               | <b>KPI</b>       | Key Performance Indicator                             |
| <b>BBBEE</b> | Broad Based Black Economic Empowerment                  | <b>KWANALOGA</b> | KwaZulu-Natal Local Government Association            |
| <b>CBD</b>   | Central Business District                               | <b>LED</b>       | Local Economic Development                            |
| <b>CFO</b>   | Chief Financial Officer                                 | <b>LGSETA</b>    | Local Government Sector, Education Training Authority |
| <b>CBO</b>   | Community Based Organisation                            | <b>LM</b>        | Local Municipality                                    |
| <b>CLLR</b>  | Councillor  | <b>LUMS</b>      | Land Usage Management System                          |
| <b>CMIP</b>  | Consolidated Municipal Infrastructure Programme         | <b>MEC</b>       | Member of the Executive Committee                     |
| <b>DA</b>    | Democratic Alliance                                     | <b>MF</b>        | Minority Front  |
| <b>DAEA</b>  | Department of Agriculture and Environmental Affairs     | <b>MFMA</b>      | Municipal Finance Management Act (Act No. 56 of 2003) |
| <b>DBSA</b>  | Development Bank of Southern Africa                     | <b>MHC</b>       | Municipal Health Services                             |
| <b>DFA</b>   | Development Facilitation Act                            | <b>MIG</b>       | Municipal Infrastructure Grant                        |
| <b>DLGTA</b> | Department of Local, Government and Traditional Affairs | <b>MM</b>        | Municipal Manager                                     |
| <b>DORA</b>  | Division of Revenue Act                                 | <b>MPCC</b>      | Multi-Purpose Community Centre                        |
| <b>DM</b>    | District Municipality                                   | <b>NGO</b>       | Non-Governmental Organisation                         |
| <b>DME</b>   | Department of Minerals and Energy                       | <b>PDI</b>       | Previously Disadvantaged Individual                   |
| <b>DPLG</b>  | Department of Provincial and Local Government           | <b>PHC</b>       | Primary Health Care                                   |
| <b>DWAF</b>  | Department of Water Affairs and Forestry                | <b>PMS</b>       | Performance Management System                         |
| <b>EHO</b>   | Environmental Health Officer                            | <b>PPP</b>       | Private Public Partnership                            |
| <b>EIA</b>   | Environmental Impact Assessment                         | <b>SALGA</b>     | South African Local Government Association            |
| <b>EMP</b>   | Environmental Management Plan                           | <b>SCM</b>       | Supply Chain Management                               |
| <b>EXCO</b>  | Executive Committee                                     | <b>SDBIP</b>     | Service Delivery and Budget Implementation Plan       |
| <b>FBE</b>   | Free Basic Electricity                                  | <b>SDF</b>       | Spatial Development Framework                         |
| <b>FBS</b>   | Free Basic Service                                      | <b>SEA</b>       | Strategic Environmental Assessment                    |
| <b>GAMAP</b> | Generally Accepted Municipal Accounting Practices       | <b>SEDA</b>      | Small Enterprise Development Agency                   |
| <b>GIS</b>   | Geographical Information System                         | <b>SETA</b>      | Sector Education and Training Authority               |
| <b>GRAP</b>  | Generally Recognised Accounting Practice                | <b>SLA</b>       | Service Level Agreement                               |
| <b>HOD</b>   | Head of Department                                      | <b>SMME</b>      | Small, Medium and Micro Enterprises                   |
| <b>IDP</b>   | Integrated Development Plan(ning)                       | <b>UBC</b>       | Umdoni Business Chamber                               |
| <b>IFP</b>   | Inkatha Freedom Party                                   | <b>WSDP</b>      | Water Services Development Plan                       |
| <b>IGR</b>   | Inter-Governmental Relations                            |                  |   |



# **UMDONI MUNICIPALITY**

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